

**(f) Reimbursement of costs**

The Majority and Minority Leaders of the Senate and the Speaker and the Minority Leader of the House of Representatives are authorized to seek and accept gifts from public and private sources to defray the cost of implementing this section.

(Pub. L. 102-429, title III, §301, Oct. 21, 1992, 106 Stat. 2205.)

## **CHAPTER 20—EMERGENCY POWERS TO ELIMINATE BUDGET DEFICITS**

### **SUBCHAPTER I—ELIMINATION OF DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNT**

- Sec.
- 900. Statement of budget enforcement through sequestration; definitions.
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### **SUBCHAPTER I—ELIMINATION OF DEFICITS IN EXCESS OF MAXIMUM DEFICIT AMOUNT**

#### **§ 900. Statement of budget enforcement through sequestration; definitions**

**(a) Omitted****(b) General statement of budget enforcement through sequestration**

This subchapter provides for budget enforcement as called for in House Concurrent Resolution 84 (105th Congress, 1st session).

**(c) Definitions**

As used in this subchapter:

(1) The terms “budget authority”, “new budget authority”, “outlays”, and “deficit” have the meanings given to such terms in section 3 of the Congressional Budget and Impoundment Control Act of 1974 [2 U.S.C. 622] and “discretionary spending limit” shall mean the amounts specified in section 901 of this title.

(2) The terms “sequester” and “sequestration” refer to or mean the cancellation of budgetary resources provided by discretionary appropriations or direct spending law.

(3) The term “breach” means, for any fiscal year, the amount (if any) by which new budget authority or outlays for that year (within a category of discretionary appropriations) is above that category’s discretionary spending limit for new budget authority or outlays for that year, as the case may be.

(4)(A) The term “nonsecurity category” means all discretionary appropriations not in-

cluded in the security category defined in subparagraph (B).

(B) The term “security category” includes discretionary appropriations associated with agency budgets for the Department of Defense, the Department of Homeland Security, the Department of Veterans Affairs, the National Nuclear Security Administration, the intelligence community management account (95-0401-0-1-054), and all budget accounts in budget function 150 (international affairs).

(C) The term “discretionary category” includes all discretionary appropriations.

(5) The term “baseline” means the projection (described in section 907 of this title) of current-year levels of new budget authority, outlays, receipts, and the surplus or deficit into the budget year and the outyears.

(6) The term “budgetary resources” means new budget authority, unobligated balances, direct spending authority, and obligation limitations.

(7) The term “discretionary appropriations” means budgetary resources (except to fund direct-spending programs) provided in appropriation Acts.

(8) The term “direct spending” means—

(A) budget authority provided by law other than appropriation Acts;

(B) entitlement authority; and

(C) the Supplemental Nutrition Assistance Program.

(9) The term “current” means, with respect to OMB estimates included with a budget submission under section 1105(a) of title 31, the estimates consistent with the economic and technical assumptions underlying that budget and with respect to estimates made after that budget submission that are not included with it, estimates consistent with the economic and technical assumptions underlying the most recently submitted President’s budget.

(10) The term “real economic growth”, with respect to any fiscal year, means the growth in the gross national product during such fiscal year, adjusted for inflation, consistent with Department of Commerce definitions.

(11) The term “account” means an item for which appropriations are made in any appropriation Act and, for items not provided for in appropriation Acts, such term means an item for which there is a designated budget account identification code number in the President’s budget.

(12) The term “budget year” means, with respect to a session of Congress, the fiscal year of the Government that starts on October 1 of the calendar year in which that session begins.

(13) The term “current year” means, with respect to a budget year, the fiscal year that immediately precedes that budget year.

(14) The term “outyear” means a fiscal year one or more years after the budget year.

(15) The term “OMB” means the Director of the Office of Management and Budget.

(16) The term “CBO” means the Director of the Congressional Budget Office.

(17) As used in this subchapter, all references to entitlement authority shall include the list of mandatory appropriations included in the joint explanatory statement of managers ac-

companying the conference report on the Balanced Budget Act of 1997.

(18) The term “deposit insurance” refers to the expenses of the Federal deposit insurance agencies, and other Federal agencies supervising insured depository institutions, resulting from full funding of, and continuation of, the deposit insurance guarantee commitment in effect under current estimates.

(19) The term “asset sale” means the sale to the public of any asset (except for those assets covered by title V of the Congressional Budget Act of 1974 [2 U.S.C. 661 et seq.]), whether physical or financial, owned in whole or in part by the United States.

(20) The term “emergency” means a situation that—

(A) requires new budget authority and outlays (or new budget authority and the outlays flowing therefrom) for the prevention or mitigation of, or response to, loss of life or property, or a threat to national security; and

(B) is unanticipated.

(21) The term “unanticipated” means that the underlying situation is—

(A) sudden, which means quickly coming into being or not building up over time;

(B) urgent, which means a pressing and compelling need requiring immediate action;

(C) unforeseen, which means not predicted or anticipated as an emerging need; and

(D) temporary, which means not of a permanent duration.

(Pub. L. 99-177, title II, § 250, as added Pub. L. 101-508, title XIII, § 13101(a), Nov. 5, 1990, 104 Stat. 1388-574, and Pub. L. 99-177, title II, § 250(c)(21), formerly § 257(12), as added Pub. L. 100-119, title I, § 102(b)(7), Sept. 29, 1987, 101 Stat. 774, renumbered § 250(c)(21), Pub. L. 101-508, title XIII, § 13101(b), Nov. 5, 1990, 104 Stat. 1388-589; amended Pub. L. 105-33, title X, §§ 10202, 10204(a)(2), 10208(a)(2), Aug. 5, 1997, 111 Stat. 697, 702, 708; Pub. L. 105-178, title VIII, § 8101(c), (f), June 9, 1998, 112 Stat. 489; Pub. L. 105-206, title IX, § 9013(b), July 22, 1998, 112 Stat. 865; Pub. L. 106-291, title VIII, § 801(c), Oct. 11, 2000, 114 Stat. 1028; Pub. L. 108-88, § 10(c), Sept. 30, 2003, 117 Stat. 1127; Pub. L. 108-310, § 10(c), Sept. 30, 2004, 118 Stat. 1160; Pub. L. 109-59, title VIII, § 8001(b), Aug. 10, 2005, 119 Stat. 1915; Pub. L. 111-139, title I, § 9(a), Feb. 12, 2010, 124 Stat. 21; Pub. L. 112-25, title I, § 102, Aug. 2, 2011, 125 Stat. 245.)

#### REFERENCES IN TEXT

House Concurrent Resolution 84, referred to in subsec. (b), is H. Con. Res. 84, June 5, 1997, 111 Stat. 2710, which is not classified to the Code.

The Balanced Budget Act of 1997, referred to in subsec. (c)(17), is Pub. L. 105-33, Aug. 5, 1997, 111 Stat. 251. For complete classification of this Act to the Code, see Tables.

The Congressional Budget Act of 1974, referred to in subsec. (c)(19), is titles I through IX of Pub. L. 93-344, July 12, 1974, 88 Stat. 297, as amended. Title V of the Act, known as the Federal Credit Reform Act of 1990, was added by Pub. L. 101-508, title XIII, § 13201(a), Nov. 5, 1990, 104 Stat. 1388-609, and is classified generally to subchapter III (§ 661 et seq.) of chapter 17A of this title. For complete classification of this Act to the Code, see Short Title note set out under section 621 of this title and Tables.

#### CODIFICATION

Subsection (a) of this section, which provided a partial table of contents for this subchapter was omitted from the Code.

Pub. L. 101-508, § 13101(b), transferred section 257(12) of Pub. L. 99-177, which was classified to section 907(12) of this title, to subsec. (c)(21) (now (c)(19)) of this section.

#### AMENDMENTS

2011—Subsec. (c)(4). Pub. L. 112-25, § 102(1), added par. (4) and struck out former par. (4) which defined the terms “category”, “highway category”, “mass transit category”, “conservation spending category”, “Federal and State Land and Water Conservation Fund sub-category”, “State and Other Conservation sub-category”, “Urban and Historic Preservation sub-category”, “Payments in Lieu of Taxes sub-category”, “Federal Deferred Maintenance sub-category”, and “Coastal Assistance sub-category” and provided a special rule for outlays in excess of the discretionary spending limit for the highway or mass transit category.

Subsec. (c)(8)(C). Pub. L. 112-25, § 102(2), substituted “the Supplemental Nutrition Assistance Program” for “the food stamp program”.

Subsec. (c)(14). Pub. L. 112-25, § 102(3), added par. (14) and struck out former par. (14) which read as follows: “The term ‘outyear’ means, with respect to a budget year, any of the first 4 fiscal years that follow the budget year.”

Subsec. (c)(20), (21). Pub. L. 112-25, § 102(4), added pars. (20) and (21).

2010—Subsec. (c)(18). Pub. L. 111-139 substituted “the expenses of the Federal deposit insurance agencies” for “the expenses the Federal deposit insurance agencies”.

2005—Subsec. (c)(4)(B). Pub. L. 109-59, § 8001(b)(1)(A), substituted “the Safe, Accountable, Flexible, Efficient Transportation Equity Act: A Legacy for Users:” for “the Transportation Equity Act for the 21st Century and the Surface Transportation Extension Act of 2004, Part V and the Surface Transportation Extension Act of 2003:” in introductory provisions.

Subsec. (c)(4)(B)(v) to (vii). Pub. L. 109-59, § 8001(b)(1)(B), added cls. (v) to (vii).

Subsec. (c)(4)(C). Pub. L. 109-59, § 8001(b)(2), added heading and text of subpar. (C) and struck out former subpar. (C) which provided that the term “mass transit category” referred to the budget accounts as listed in cls. (i) to (vi) that were subject to the obligation limitations on contract authority provided in the Transportation Equity Act for the 21st Century, the Surface Transportation Extension Act of 2004, Part V, and the Surface Transportation Extension Act of 2003, or for which appropriations were provided pursuant to authorizations contained in those Acts, with certain exceptions, and that such term also referred to the Washington Metropolitan Transit Authority account (69-1128-0-1-401) only for fiscal year 1999 only for appropriations provided pursuant to authorizations contained in section 14 of Public Law 96-184 and Public Law 101-551.

2004—Subsec. (c)(4)(B). Pub. L. 108-310, § 10(c)(1), inserted “and the Surface Transportation Extension Act of 2004, Part V” after “Century”.

Subsec. (c)(4)(C). Pub. L. 108-310, § 10(c)(2)(A), inserted “and the Surface Transportation Extension Act of 2004, Part V” after “provided in the Transportation Equity Act for the 21st Century”.

Pub. L. 108-310, § 10(c)(2)(B), which directed the substitution of “those Acts” for “that Act”, could not be executed because the words “that Act” did not appear subsequent to amendment by Pub. L. 108-88. See 2003 Amendment note below.

2003—Subsec. (c)(4)(B). Pub. L. 108-88, § 10(c)(1), inserted “and the Surface Transportation Extension Act of 2003” after “Century”.

Subsec. (c)(4)(C). Pub. L. 108-88, § 10(c)(2), inserted “and the Surface Transportation Extension Act of 2003” after “Century” the first place it appears and substituted “those Acts” for “that Act”.

2000—Subsec. (c)(4)(E) to (K). Pub. L. 106-291 added subpars. (E) to (K).

1998—Subsec. (c)(4). Pub. L. 105-178, §8101(c), designated existing provisions as subpar. (A) and added subpars. (B) to (D).

Subsec. (c)(4)(C). Pub. L. 105-178, §8101(f), as added by Pub. L. 105-206, §9013(b), in introductory provisions, substituted “Century or” for “Century and” and “as amended by the Transportation Equity Act for the 21st Century” for “as amended by this section”, and inserted concluding provisions.

1997—Subsec. (a). Pub. L. 105-33, §§10204(a)(2), 10208(a)(2), amended table of contents. See Codification note above.

Subsec. (b). Pub. L. 105-33, §10202(a), substituted present text for former text which read as follows: “This subchapter provides for the enforcement of the deficit reduction assumed in House Concurrent Resolution 310 (101st Congress, second session) and the applicable deficit targets for fiscal years 1991 through 1995. Enforcement, as necessary, is to be implemented through sequestration—

“(1) to enforce discretionary spending levels assumed in that resolution (with adjustments as provided hereinafter);

“(2) to enforce the requirement that any legislation increasing direct spending or decreasing revenues be on a pay-as-you-go basis; and

“(3) to enforce the deficit targets specifically set forth in the Congressional Budget and Impoundment Control Act of 1974 (with adjustments as provided hereinafter);

applied in the order set forth above.”

Subsec. (c)(1). Pub. L. 105-33, §10202(b)(1), struck out “(but including the treatment specified in section 907(b)(3) of this title of the Hospital Insurance Trust Fund) and the terms ‘maximum deficit amount’” before “and ‘discretionary’” and substituted “section 901” for “section 601 of that Act as adjusted under sections 901 and 903”.

Subsec. (c)(4). Pub. L. 105-33, §10202(b)(2), added par. (4) and struck out former par. (4) which read as follows: “The term ‘category’ means:

“(A) For fiscal years 1991, 1992, and 1993, any of the following subsets of discretionary appropriations: defense, international, or domestic. Discretionary appropriations in each of the three categories shall be those so designated in the joint statement of managers accompanying the conference report on the Omnibus Budget Reconciliation Act of 1990. New accounts or activities shall be categorized in consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate.

“(B) For fiscal years 1994 and 1995, all discretionary appropriations.

Contributions to the United States to offset the cost of Operation Desert Shield shall not be counted within any category.”

Subsec. (c)(6). Pub. L. 105-33, §10202(b)(3), added par. (6) and struck out former par. (6) which read as follows:

“The term ‘budgetary resources’ means—

“(A) with respect to budget year 1991, new budget authority; unobligated balances; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; direct spending authority; and obligation limitations; or

“(B) with respect to budget year 1992, 1993, 1994, or 1995, new budget authority; unobligated balances; direct spending authority; and obligation limitations.”

Subsec. (c)(9). Pub. L. 105-33, §10202(b)(4), substituted “that budget submission that are not included with it” for “submission of the fiscal year 1992 budget that are not included with a budget submission”.

Subsec. (c)(14). Pub. L. 105-33, §10202(b)(5), inserted “first 4” before “fiscal years” and struck out “through fiscal year 1995” after “the budget year”.

Subsec. (c)(17). Pub. L. 105-33, §10202(b)(6), (7), redesignated par. (18) as (17), substituted “Balanced Budget Act of 1997” for “Omnibus Budget Reconciliation Act of

1990”, and struck out former par. (17) which read as follows: “For purposes of sections 902 and 903 of this title, legislation enacted during the second session of the One Hundred First Congress shall be deemed to have been enacted before November 5, 1990.”

Subsec. (c)(18). Pub. L. 105-33, §10202(b)(6), (8), redesignated par. (19) as (18) and substituted “the Federal deposit insurance agencies, and other Federal agencies supervising insured depository institutions, resulting from full funding of, and continuation of, the deposit insurance guarantee commitment in effect under current estimates.” for “of the Federal Deposit Insurance Corporation and the funds it incorporates, the Resolution Trust Corporation, the National Credit Union Administration and the funds it incorporates, the Office of Thrift Supervision, the Comptroller of the Currency Assessment Fund, and the RTC Office of Inspector General.” Former par. (18) redesignated (17).

Subsec. (c)(19). Pub. L. 105-33, §10202(b)(9), added par. (19) and struck out former par. (19) which read as follows: “The sale of an asset means the sale to the public of any asset, whether physical or financial, owned in whole or in part by the United States. The term ‘prepayment of a loan’ means payments to the United States made in advance of the schedules set by law or contract when the financial asset is first acquired, such as the prepayment to the Federal Financing Bank of loans guaranteed by the Rural Electrification Administration. If a law or contract allows a flexible payment schedule, the term ‘in advance’ shall mean in advance of the slowest payment schedule allowed under such law or contract.”

Pub. L. 105-33, §10202(b)(6), redesignated par. (21) as (19). Former par. (19) redesignated (18).

Subsec. (c)(20). Pub. L. 105-33, §10202(b)(6), struck out par. (20) which read as follows: “The term ‘composite outlay rate’ means the percent of new budget authority that is converted to outlays in the fiscal year for which the budget authority is provided and subsequent fiscal years, as follows:

“(A) For the international category, 46 percent for the first year, 20 percent for the second year, 16 percent for the third year, and 8 percent for the fourth year.

“(B) For the domestic category, 53 percent for the first year, 31 percent for the second year, 12 percent for the third year, and 2 percent for the fourth year.”

Subsec. (c)(21). Pub. L. 105-33, §10202(b)(6), redesignated par. (21) as (19).

1990—Subsec. (c)(21). Pub. L. 101-508, §13101(b), redesignated section 907(12) of this title as par. (21).

#### EFFECTIVE DATE OF 1998 AMENDMENT

Title IX of Pub. L. 105-206 effective simultaneously with enactment of Pub. L. 105-178 and to be treated as included in Pub. L. 105-178 at time of enactment, and provisions of Pub. L. 105-178, as in effect on day before July 22, 1998, that are amended by title IX of Pub. L. 105-206 to be treated as not enacted, see section 9016 of Pub. L. 105-206, set out as a note under section 101 of Title 23, Highways.

#### EFFECTIVE AND TERMINATION DATES

Pub. L. 103-66, title XIV, §14002(c)(3)(A), Aug. 10, 1993, 107 Stat. 684, which provided that, notwithstanding section 275(b) of Pub. L. 99-177, formerly set out below, sections 900, 901, 902, and 904 to 908 of this title were to expire on Sept. 30, 1998, was repealed by Pub. L. 105-33, title X, §10212(b), Aug. 5, 1997, 111 Stat. 712.

Pub. L. 99-177, title II, §275, Dec. 12, 1985, 99 Stat. 1100, as amended by Pub. L. 100-119, title I, §106(c), title II, §210(b), Sept. 29, 1987, 101 Stat. 780, 787; Pub. L. 101-508, title XIII, §§13112(b), 13208(b), Nov. 5, 1990, 104 Stat. 1388-608, 1388-619; Pub. L. 105-33, title X, §10212(a), Aug. 5, 1997, 111 Stat. 712, which provided that, except as otherwise provided in section 275, amendments by title II of Pub. L. 99-177 were effective Dec. 12, 1985, and applicable to fiscal years beginning after Sept. 30, 1985; that amendment by section 201(a)(2) of Pub. L. 99-177

(amending section 622(2) of this title), and amendment by section 201(b) of Pub. L. 99-177 (insofar as it relates to section 633(c), (f), and (g) of this title and to section 641(c), (d), and (g) of this title), were effective Apr. 15, 1986; that amendment by section 212 of Pub. L. 99-177 (amending section 652 of this title) was effective Feb. 1, 1986; that sections 251, 253, 258B, and 271(b) of Pub. L. 99-177 (sections 901, 903, and 907c of this title and provisions set out as a note below), and sections 1105(f) and 1106(c) of title 31, United States Code, were to expire Sept. 30, 2002; that the remaining sections of part C of title II of Pub. L. 99-177 (enacting this subchapter) were to expire Sept. 30, 2006; and that amendments by part D of title II of Pub. L. 99-177 (amending section 911 of Title 42, The Public Health and Welfare, and enacting provisions set out as a note under section 911 of Title 42) were applicable as provided in that part, was repealed by Pub. L. 112-25, title I, §104(a), Aug. 2, 2011, 125 Stat. 246.

#### SHORT TITLE OF 2011 AMENDMENT

Pub. L. 112-25, §1(a), Aug. 2, 2011, 125 Stat. 240, provided that: “This Act [enacting section 901a of this title and section 3101A of Title 31, Money and Finance, amending this section and sections 622, 645, 901, and 904 of this title, sections 1070a and 1087e of Title 20, Education, and section 3101 of Title 31, enacting provisions set out as notes under this section and sections 631 and 902 of this title and section 1089 of Title 20, amending provisions set out as a note under section 621 of this title, and repealing provisions set out as a note under this section] may be cited as the ‘Budget Control Act of 2011’.”

#### SHORT TITLE OF 1997 AMENDMENT

Pub. L. 105-33, title X, §10001(a), Aug. 5, 1997, 111 Stat. 677, provided that: “This title [enacting sections 645 and 645a of this title, amending this section, sections 601, 602, 622, 631 to 636, 639, 641 to 644, 651, 654, 661a, 661c to 661e, 691a, 691c, 691e, 901, 902, 904 to 907, and 922 of this title, section 1105 of Title 31, Money and Finance, and section 911 of Title 42, The Public Health and Welfare, repealing sections 652, 665 to 665e, 901a, and 908 of this title and section 14212 of Title 42, enacting provisions set out as notes under this section and section 902 of this title, amending provisions set out as notes under this section and section 621 of this title, and repealing provisions set out as notes under this section and sections 621, 631, and 665 of this title] may be cited as the ‘Budget Enforcement Act of 1997’.”

#### SHORT TITLE OF 1990 AMENDMENT

Pub. L. 101-508, title XIII, §13001(a), Nov. 5, 1990, 104 Stat. 1388-573, provided that: “This title [enacting this section and sections 643, 661 to 661f, 665 to 665e, and 907a to 907d of this title, amending sections 601, 602, 622, 631 to 637, 639, 641, 642, 644, 651, 652, and 901 to 907 of this title, section 1022 of Title 15, Commerce and Trade, sections 1105, 1341, and 1342 of Title 31, Money and Finance, and section 401 of Title 42, The Public Health and Welfare, transferring section 921 of this title to section 601(g) of this title, repealing section 909 of this title, enacting provisions set out as notes under this section and sections 621, 622, 632, 633, 665, and 902 of this title, and amending provisions set out as notes under this section and sections 621 and 632 of this title] may be cited as the ‘Budget Enforcement Act of 1990’.”

#### SHORT TITLE OF 1987 AMENDMENT

Pub. L. 100-119, title I, §101(b), Sept. 29, 1987, 101 Stat. 754, provided that: “This title [enacting section 908 of this title, amending sections 622, 632, 642, 901 to 907, and 922 of this title and section 1105 of Title 31, Money and Finance, enacting provisions set out as notes under section 1395ww of Title 42, The Public Health and Welfare, and amending provisions set out as notes under section 901 of this title and sections 1320b-8 and 1395ww of Title 42] may be cited as the ‘Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987’.”

#### SHORT TITLE

Pub. L. 99-177, title II, §200(a), Dec. 12, 1985, 99 Stat. 1038, provided that: “This title [enacting this chapter and sections 654 to 656 of this title, amending sections 602, 622, 631 to 642, and 651 to 653 of this title, sections 1104 to 1106 and 1109 of Title 31, Money and Finance, and section 911 of Title 42, The Public Health and Welfare, repealing section 661 of this title, enacting provisions set out as notes under this section and section 911 of Title 42, and amending provisions set out as a note under section 621 of this title] may be cited as the ‘Balanced Budget and Emergency Deficit Control Act of 1985’.”

#### SEVERABILITY

Pub. L. 112-25, §2, Aug. 2, 2011, 125 Stat. 240, provided that: “If any provision of this Act [see Short Title of 2011 Amendment note above], or any application of such provision to any person or circumstance, is held to be unconstitutional, the remainder of this Act and the application of this Act to any other person or circumstance shall not be affected.”

#### JOINT SELECT COMMITTEE ON DEFICIT REDUCTION

Pub. L. 112-25, title IV, Aug. 2, 2011, 125 Stat. 259, provided that:

#### “SEC. 401. ESTABLISHMENT OF JOINT SELECT COMMITTEE.

“(a) DEFINITIONS.—In this title:

“(1) JOINT COMMITTEE.—The term ‘joint committee’ means the Joint Select Committee on Deficit Reduction established under subsection (b)(1).

“(2) JOINT COMMITTEE BILL.—The term ‘joint committee bill’ means a bill consisting of the proposed legislative language of the joint committee recommended under subsection (b)(3)(B) and introduced under section 402(a).

“(b) ESTABLISHMENT OF JOINT SELECT COMMITTEE.—

“(1) ESTABLISHMENT.—There is established a joint select committee of Congress to be known as the ‘Joint Select Committee on Deficit Reduction’.

“(2) GOAL.—The goal of the joint committee shall be to reduce the deficit by at least \$1,500,000,000,000 over the period of fiscal years 2012 to 2021.

“(3) DUTIES.—

“(A) IN GENERAL.—

“(i) IMPROVING THE SHORT-TERM AND LONG-TERM FISCAL IMBALANCE.—The joint committee shall provide recommendations and legislative language that will significantly improve the short-term and long-term fiscal imbalance of the Federal Government.

“(ii) RECOMMENDATIONS OF COMMITTEES.—Not later than October 14, 2011, each committee of the House of Representatives and the Senate may transmit to the joint committee its recommendations for changes in law to reduce the deficit consistent with the goal described in paragraph (2) for the joint committee’s consideration.

“(B) REPORT, RECOMMENDATIONS, AND LEGISLATIVE LANGUAGE.—

“(i) IN GENERAL.—Not later than November 23, 2011, the joint committee shall vote on—

“(I) a report that contains a detailed statement of the findings, conclusions, and recommendations of the joint committee and the estimate of the Congressional Budget Office required by paragraph (5)(D)(ii); and

“(II) proposed legislative language to carry out such recommendations as described in subclause (I), which shall include a statement of the deficit reduction achieved by the legislation over the period of fiscal years 2012 to 2021.

Any change to the Rules of the House of Representatives or the Standing Rules of the Senate included in the report or legislative language shall be considered to be merely advisory.

“(ii) APPROVAL OF REPORT AND LEGISLATIVE LANGUAGE.—The report of the joint committee and

the proposed legislative language described in clause (i) shall require the approval of a majority of the members of the joint committee.

“(iii) ADDITIONAL VIEWS.—A member of the joint committee who gives notice of an intention to file supplemental, minority, or additional views at the time of final joint committee vote on the approval of the report and legislative language under clause (ii) shall be entitled to 3 calendar days in which to file such views in writing with the staff director of the joint committee. Such views shall then be included in the joint committee report and printed in the same volume, or part thereof, and their inclusion shall be noted on the cover of the report. In the absence of timely notice, the joint committee report may be printed and transmitted immediately without such views.

“(iv) TRANSMISSION OF REPORT AND LEGISLATIVE LANGUAGE.—If the report and legislative language are approved by the joint committee pursuant to clause (ii), then not later than December 2, 2011, the joint committee shall submit the joint committee report and legislative language described in clause (i) to the President, the Vice President, the Speaker of the House of Representatives, and the majority and minority Leaders of each House of Congress.

“(v) REPORT AND LEGISLATIVE LANGUAGE TO BE MADE PUBLIC.—Upon the approval or disapproval of the joint committee report and legislative language pursuant to clause (ii), the joint committee shall promptly make the full report and legislative language, and a record of the vote, available to the public.

“(4) MEMBERSHIP.—

“(A) IN GENERAL.—The joint committee shall be composed of 12 members appointed pursuant to subparagraph (B).

“(B) APPOINTMENT.—Members of the joint committee shall be appointed as follows:

“(i) The majority leader of the Senate shall appoint three members from among Members of the Senate.

“(ii) The minority leader of the Senate shall appoint three members from among Members of the Senate.

“(iii) The Speaker of the House of Representatives shall appoint three members from among Members of the House of Representatives.

“(iv) The minority leader of the House of Representatives shall appoint three members from among Members of the House of Representatives.

“(C) CO-CHAIRS.—

“(i) IN GENERAL.—There shall be two Co-Chairs of the joint committee. The majority leader of the Senate shall appoint one Co-Chair from among the members of the joint committee. The Speaker of the House of Representatives shall appoint the second Co-Chair from among the members of the joint committee. The Co-Chairs shall be appointed not later than 14 calendar days after the date of enactment of this Act [Aug. 2, 2011].

“(ii) STAFF DIRECTOR.—The Co-Chairs, acting jointly, shall hire the staff director of the joint committee.

“(D) DATE.—Members of the joint committee shall be appointed not later than 14 calendar days after the date of enactment of this Act.

“(E) PERIOD OF APPOINTMENT.—Members shall be appointed for the life of the joint committee. Any vacancy in the joint committee shall not affect its powers, but shall be filled not later than 14 calendar days after the date on which the vacancy occurs, in the same manner as the original designation was made. If a member of the joint committee ceases to be a Member of the House of Representatives or the Senate, as the case may be, the member is no longer a member of the joint committee and a vacancy shall exist.

“(5) ADMINISTRATION.—

“(A) IN GENERAL.—To enable the joint committee to exercise its powers, functions, and duties, there are authorized to be disbursed by the Senate the actual and necessary expenses of the joint committee approved by the co-chairs, subject to the rules and regulations of the Senate.

“(B) EXPENSES.—In carrying out its functions, the joint committee is authorized to incur expenses in the same manner and under the same conditions as the Joint Economic Committee is authorized by section 11[(d)] of Public Law 79-304 (15 U.S.C. 1024(d)).

“(C) QUORUM.—Seven members of the joint committee shall constitute a quorum for purposes of voting, meeting, and holding hearings.

“(D) VOTING.—

“(i) PROXY VOTING.—No proxy voting shall be allowed on behalf of the members of the joint committee.

“(ii) CONGRESSIONAL BUDGET OFFICE ESTIMATES.—The Congressional Budget Office shall provide estimates of the legislation (as described in paragraph (3)(B)) in accordance with sections 308(a) and 201(f) of the Congressional Budget Act of 1974 (2 U.S.C. 639(a) and 601(f)) (including estimates of the effect of interest payment on the debt). In addition, the Congressional Budget Office shall provide information on the budgetary effect of the legislation beyond the year 2021. The joint committee may not vote on any version of the report, recommendations, or legislative language unless such estimates are available for consideration by all members of the joint committee at least 48 hours prior to the vote as certified by the Co-Chairs.

“(E) MEETINGS.—

“(i) INITIAL MEETING.—Not later than 45 calendar days after the date of enactment of this Act [Aug. 2, 2011], the joint committee shall hold its first meeting.

“(ii) AGENDA.—The Co-Chairs of the joint committee shall provide an agenda to the joint committee members not less than 48 hours in advance of any meeting.

“(F) HEARINGS.—

“(i) IN GENERAL.—The joint committee may, for the purpose of carrying out this section, hold such hearings, sit and act at such times and places, require attendance of witnesses and production of books, papers, and documents, take such testimony, receive such evidence, and administer such oaths as the joint committee considers advisable.

“(ii) HEARING PROCEDURES AND RESPONSIBILITIES OF CO-CHAIRS.—

“(I) ANNOUNCEMENT.—The Co-Chairs of the joint committee shall make a public announcement of the date, place, time, and subject matter of any hearing to be conducted, not less than 7 days in advance of such hearing, unless the Co-Chairs determine that there is good cause to begin such hearing at an earlier date.

“(II) WRITTEN STATEMENT.—A witness appearing before the joint committee shall file a written statement of proposed testimony at least 2 calendar days before the appearance of the witness, unless the requirement is waived by the Co-Chairs, following their determination that there is good cause for failure to comply with such requirement.

“(G) TECHNICAL ASSISTANCE.—Upon written request of the Co-Chairs, a Federal agency shall provide technical assistance to the joint committee in order for the joint committee to carry out its duties.

“(c) STAFF OF JOINT COMMITTEE.—

“(1) IN GENERAL.—The Co-Chairs of the joint committee may jointly appoint and fix the compensation of staff as they deem necessary, within the guidelines for employees of the Senate and following all applica-

ble rules and employment requirements of the Senate.

“(2) ETHICAL STANDARDS.—Members on the joint committee who serve in the House of Representatives shall be governed by the ethics rules and requirements of the House. Members of the Senate who serve on the joint committee and staff of the joint committee shall comply with the ethics rules of the Senate.

“(d) TERMINATION.—The joint committee shall terminate on January 31, 2012.

“SEC. 402. EXPEDITED CONSIDERATION OF JOINT COMMITTEE RECOMMENDATIONS.

“(a) INTRODUCTION.—If approved by the majority required by section 401(b)(3)(B)(ii), the proposed legislative language submitted pursuant to section 401(b)(3)(B)(iv) shall be introduced in the Senate (by request) on the next day on which the Senate is in session by the majority leader of the Senate or by a Member of the Senate designated by the majority leader of the Senate and shall be introduced in the House of Representatives (by request) on the next legislative day by the majority leader of the House or by a Member of the House designated by the majority leader of the House.

“(b) CONSIDERATION IN THE HOUSE OF REPRESENTATIVES.—

“(1) REFERRAL AND REPORTING.—Any committee of the House of Representatives to which the joint committee bill is referred shall report it to the House without amendment not later than December 9, 2011. If a committee fails to report the joint committee bill within that period, it shall be in order to move that the House discharge the committee from further consideration of the bill. Such a motion shall not be in order after the last committee authorized to consider the bill reports it to the House or after the House has disposed of a motion to discharge the bill. The previous question shall be considered as ordered on the motion to its adoption without intervening motion except 20 minutes of debate equally divided and controlled by the proponent and an opponent. If such a motion is adopted, the House shall proceed immediately to consider the joint committee bill in accordance with paragraphs (2) and (3). A motion to reconsider the vote by which the motion is disposed of shall not be in order.

“(2) PROCEEDING TO CONSIDERATION.—After the last committee authorized to consider a joint committee bill reports it to the House or has been discharged (other than by motion) from its consideration, it shall be in order to move to proceed to consider the joint committee bill in the House. Such a motion shall not be in order after the House has disposed of a motion to proceed with respect to the joint committee bill. The previous question shall be considered as ordered on the motion to its adoption without intervening motion. A motion to reconsider the vote by which the motion is disposed of shall not be in order.

“(3) CONSIDERATION.—The joint committee bill shall be considered as read. All points of order against the joint committee bill and against its consideration are waived. The previous question shall be considered as ordered on the joint committee bill to its passage without intervening motion except 2 hours of debate equally divided and controlled by the proponent and an opponent and one motion to limit debate on the joint committee bill. A motion to reconsider the vote on passage of the joint committee bill shall not be in order.

“(4) VOTE ON PASSAGE.—The vote on passage of the joint committee bill shall occur not later than December 23, 2011.

“(c) EXPEDITED PROCEDURE IN THE SENATE.—

“(1) COMMITTEE CONSIDERATION.—A joint committee bill introduced in the Senate under subsection (a) shall be jointly referred to the committee or committees of jurisdiction, which committees shall report the bill without any revision and with a favorable recommendation, an unfavorable recommendation, or without recommendation, not later than December 9,

2011. If any committee fails to report the bill within that period, that committee shall be automatically discharged from consideration of the bill, and the bill shall be placed on the appropriate calendar.

“(2) MOTION TO PROCEED.—Notwithstanding Rule XXII of the Standing Rules of the Senate, it is in order, not later than 2 days of session after the date on which a joint committee bill is reported or discharged from all committees to which it was referred, for the majority leader of the Senate or the majority leader's designee to move to proceed to the consideration of the joint committee bill. It shall also be in order for any Member of the Senate to move to proceed to the consideration of the joint committee bill at any time after the conclusion of such 2-day period. A motion to proceed is in order even though a previous motion to the same effect has been disagreed to. All points of order against the motion to proceed to the joint committee bill are waived. The motion to proceed is not debatable. The motion is not subject to a motion to postpone. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint committee bill is agreed to, the joint committee bill shall remain the unfinished business until disposed of.

“(3) CONSIDERATION.—All points of order against the joint committee bill and against consideration of the joint committee bill are waived. Consideration of the joint committee bill and of all debatable motions and appeals in connection therewith shall not exceed a total of 30 hours which shall be divided equally between the Majority and Minority Leaders or their designees. A motion further to limit debate on the joint committee bill is in order, shall require an affirmative vote of three-fifths of the Members duly chosen and sworn, and is not debatable. Any debatable motion or appeal is debatable for not to exceed 1 hour, to be divided equally between those favoring and those opposing the motion or appeal. All time used for consideration of the joint committee bill, including time used for quorum calls and voting, shall be counted against the total 30 hours of consideration.

“(4) NO AMENDMENTS.—An amendment to the joint committee bill, or a motion to postpone, or a motion to proceed to the consideration of other business, or a motion to recommit the joint committee bill, is not in order.

“(5) VOTE ON PASSAGE.—If the Senate has voted to proceed to the joint committee bill, the vote on passage of the joint committee bill shall occur immediately following the conclusion of the debate on a joint committee bill, and a single quorum call at the conclusion of the debate if requested. The vote on passage of the joint committee bill shall occur not later than December 23, 2011.

“(6) RULINGS OF THE CHAIR ON PROCEDURE.—Appeals from the decisions of the Chair relating to the application of the rules of the Senate, as the case may be, to the procedure relating to a joint committee bill shall be decided without debate.

“(d) AMENDMENT.—The joint committee bill shall not be subject to amendment in either the House of Representatives or the Senate.

“(e) CONSIDERATION BY THE OTHER HOUSE.—

“(1) IN GENERAL.—If, before passing the joint committee bill, one House receives from the other a joint committee bill—

“(A) the joint committee bill of the other House shall not be referred to a committee; and

“(B) the procedure in the receiving House shall be the same as if no joint committee bill had been received from the other House until the vote on passage, when the joint committee bill received from the other House shall supplant the joint committee bill of the receiving House.

“(2) REVENUE MEASURE.—This subsection shall not apply to the House of Representatives if the joint committee bill received from the Senate is a revenue measure.

“(f) RULES TO COORDINATE ACTION WITH OTHER HOUSE.—

“(1) TREATMENT OF JOINT COMMITTEE BILL OF OTHER HOUSE.—If the Senate fails to introduce or consider a joint committee bill under this section, the joint committee bill of the House shall be entitled to expedited floor procedures under this section.

“(2) TREATMENT OF COMPANION MEASURES IN THE SENATE.—If following passage of the joint committee bill in the Senate, the Senate then receives the joint committee bill from the House of Representatives, the House-passed joint committee bill shall not be debatable. The vote on passage of the joint committee bill in the Senate shall be considered to be the vote on passage of the joint committee bill received from the House of Representatives.

“(3) VETOES.—If the President vetoes the joint committee bill, debate on a veto message in the Senate under this section shall be 1 hour equally divided between the majority and minority leaders or their designees.

“(g) LOSS OF PRIVILEGE.—The provisions of this section shall cease to apply to the joint committee bill if—

“(1) the joint committee fails to vote on the report or proposed legislative language required under section 401(b)(3)(B)(i) not later than November 23, 2011; or

“(2) the joint committee bill does not pass both Houses not later than December 23, 2011.

#### “SEC. 403. FUNDING.

“Funding for the joint committee shall be derived in equal portions from—

“(1) the applicable accounts of the House of Representatives; and

“(2) the contingent fund of the Senate from the appropriations account ‘Miscellaneous Items’, subject to the rules and regulations of the Senate.

#### “SEC. 404. RULEMAKING.

“The provisions of this title are enacted by Congress—

“(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

“(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.”

#### HABITAT CONSERVATION ACTIVITIES CONSIDERED WITHIN COASTAL ASSISTANCE SUB-CATEGORY

Pub. L. 108-7, div. B, title II, §214, Feb. 20, 2003, 117 Stat. 82, provided that:

“(a) Hereafter, habitat conservation activities, enforcement and surveillance—cooperative enforcement and vessel monitoring, stock assessments—data collection, and highly migratory shark fishery research under the heading, ‘National Oceanic and Atmospheric Administration, Operations, Research and Facilities’, shall be considered to be within the ‘Coastal Assistance sub-category’ in [former] section 250(c)(4)(K) of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended [former 2 U.S.C. 900(c)(4)(K)].

“(b) For fiscal year 2004 and thereafter, response and restoration activities, Cooperative Research, Protected Species activities, Endangered Species Act—Marine Mammals, Sea Turtles and Other Species, Endangered Species Act—Right Whales, Marine Mammal Protection, and Sea Grant (except for the fellowship program) under the heading, ‘National Oceanic and Atmospheric Administration, Operations, Research, and Facilities’, shall be considered to be within the ‘Coastal Assistance sub-category’ in [former] section 250(c)(4)(K) of the Bal-

anced Budget and Emergency Deficit Control Act of 1985, as amended [former 2 U.S.C. 900(c)(4)(K)].

“(c) All references to outlays in title VIII of Public Law 106-291 [amending this section and section 901 of this title] are repealed.”

Similar provisions were contained in the following prior appropriation act:

Pub. L. 107-77, title II, Nov. 28, 2001, 115 Stat. 775.

#### PURPOSE OF SUBTITLE B OF TITLE X OF PUB. L. 105-33

Section 10201 of title X of Pub. L. 105-33 provided that: “The purpose of this subtitle [subtitle B (§§10201–10213) of title X of Pub. L. 105-33, amending this section, sections 901, 902, 904 to 907, and 922 of this title, section 1105 of Title 31, Money and Finance, and section 911 of Title 42, The Public Health and Welfare, repealing sections 901a and 908 of this title and section 14212 of Title 42, enacting provisions set out as a note under section 902 of this title, and amending and repealing provisions set out as notes under this section] is to extend discretionary spending limits and pay-as-you-go requirements.”

#### RESTRICTION ON ELIMINATION OR REDUCTION OF PROGRAMS RELATING TO ENERGY AND WATER DEVELOPMENT

Pub. L. 102-377, title V, §503, Oct. 2, 1992, 106 Stat. 1342, provided that: “None of the programs, projects or activities as defined in the reports accompanying this Act or subsequent Energy and Water Development Appropriations Acts, may be eliminated or disproportionately reduced due to the application of ‘Savings and Slippage’, ‘general reduction’, or the provision of Public Law 99-177 [see Short Title note above] or Public Law 100-119 [see section 213 of Pub. L. 100-119 set out below] unless such reports expressly provide otherwise.”

#### WAIVERS AND SUSPENSIONS IN THE SENATE

Pub. L. 99-177, title II, §271(b), Dec. 12, 1985, 99 Stat. 1094, as amended by Pub. L. 100-119, title II, §211, Sept. 29, 1987, 101 Stat. 787, provided that: “Sections 301(i), 302(c), 302(f), 304(b), 310(d), 310(g), and 311(a) of the Congressional Budget Act of 1974 [sections 632(i), 633(c), 633(f), former 635(b), 641(d), 641(g), and 642(a) of this title] may be waived or suspended in the Senate only by the affirmative vote of three-fifths of the Members, duly chosen and sworn. This subsection shall not apply to any joint resolution reported or discharged pursuant to section 254(a) of this joint resolution [section 904(a) of this title].”

#### APPEALS OF RULINGS

Pub. L. 99-177, title II, §271(c), as added by Pub. L. 100-119, title II, §210(a), Sept. 29, 1987, 101 Stat. 787, provided that: “An affirmative vote of three-fifths of the Members of the Senate, duly chosen and sworn, shall be required in the Senate to sustain an appeal of the ruling of the Chair on a point of order raised under section 301(i), 302(c), 302(f), 304(b), 306, 310(d), 310(g), or 311(a) of the Congressional Budget Act of 1974 [sections 632(i), 633(c), 633(f), 635(b), 637, 641(d), 641(g), or 642(a) of this title].”

#### EXERCISE OF CONGRESSIONAL RULEMAKING POWER

Pub. L. 103-66, title XIV, §14004, Aug. 10, 1993, 107 Stat. 685, provided that: “The Congress enacts the provisions of this part [probably should be ‘this title’], amending sections 665, 901, 902, and 904 of this title, enacting provisions set out as notes under this section and section 902 of this title, and amending provisions set out as notes under section 665 of this title]—

“(1) as an exercise of the rule-making power of the Senate and the House of Representatives, respectively, and as such these provisions shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

“(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.”

Section 13305 of title XIII of Pub. L. 101-508 provided that: “This title and the amendments made by it [see Short Title of 1990 Amendment note above] are enacted by the Congress—

“(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as a part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

“(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.”

Section 213 of Pub. L. 100-119 provided that: “This Act and the amendments made by this Act [enacting sections 908 and 909 of this title, amending sections 622, 632, 635, 636, 642, 683, 684, 687, 901 to 907, and 922 of this title and sections 1105 and 3101 of Title 31, Money and Finance, enacting provisions set out as notes under sections 602, 621, 686, and 901 of this title and section 1395ww of Title 42, The Public Health and Welfare, amending provisions set out as notes under section 901 of this title and sections 1320b-8 and 1395ww of Title 42, and repealing provisions set out as a note under section 653 of this title], other than those relating to the activities of the executive and judicial branches of the Government, are enacted by Congress—

“(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

“(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.”

Section 271(d), formerly section 271(c), of Pub. L. 99-177, as redesignated by Pub. L. 100-119, title II, §210(a), Sept. 29, 1987, 101 Stat. 787, provided that: “The provisions of this title [see Short Title note above], other than those relating to the activities of the executive and judicial branches of the Government, are enacted by the Congress—

“(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

“(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner and to the same extent as in the case of any other rule of such House.”

#### RESTORATION OF TRUST FUND INVESTMENTS; FUNDS BORROWED OR NOT INVESTED DURING DELAYS IN RAISING PUBLIC DEBT LIMIT

For provisions restoring various trust and retirement funds administered by the Secretary of the Treasury to the position in which they would have been if debt limit increases had been delayed, including transferring amounts to the funds to compensate those funds for current and prospective losses arising from premature redemption of some long term securities when the debt limit was reached, see notes set out under section 3101 of Title 31, Money and Finance.

#### EXECUTIVE ORDER NO. 12857

Ex. Ord. No. 12857, Aug. 4, 1993, 58 F.R. 42181, which provided for direct spending targets for fiscal years 1994 through 1997, expired at the end of fiscal year 1997.

#### EX. ORD. NO. 12858. DEFICIT REDUCTION FUND

Ex. Ord. No. 12858, Aug. 4, 1993, 58 F.R. 42185, provided:

By the authority vested in me as President of the United States by the Constitution and the laws of the United States of America, including sections 1104 and 1105 of title 31, United States Code, it is hereby ordered as follows:

SECTION 1. *Purpose.* It is essential to guarantee that the net deficit reduction achieved by the Omnibus Budget Reconciliation Act of 1993 [Pub. L. 103-66, see Tables for classification] is dedicated exclusively to reducing the deficit.

#### SEC. 2. *Deficit Reduction Fund.*

(a) *Establishment of the Fund.* There is established a separate account in the Treasury, known as the Deficit Reduction Fund, which shall receive the net deficit reduction achieved by the Omnibus Budget Reconciliation Act of 1993 [Pub. L. 103-66, see Tables for classification] as called for in subsection (b) of this order.

(b) *Amounts in Fund.* Beginning upon enactment of the Omnibus Budget Reconciliation Act of 1993 [Aug. 10, 1993], the Deficit Reduction Fund shall receive any increases in total revenues resulting from enactment of such Act on a daily basis. In addition, on a daily basis, the Secretary of the Treasury shall enter into such account an amount equivalent to the net deficit reduction achieved as a result of all spending reductions resulting from such Act. The cumulative fiscal year amounts for the combination of all such revenue increases and spending reductions shall be equal to:

- (1) for fiscal year 1994, \$60,292,000,000;
- (2) for fiscal year 1995, \$70,437,000,000;
- (3) for fiscal year 1996, \$92,061,000,000;
- (4) for fiscal year 1997, \$125,881,000,000;
- (5) for fiscal year 1998, \$146,939,000,000.

Within 30 days of enactment of the Omnibus Budget Reconciliation Act of 1993, the foregoing amounts may be adjusted by the Director of the Office of Management and Budget to reflect the final scoring of such Act.

(c) *Status of Amounts in Fund.* (i) The amounts in the Deficit Reduction Fund shall be used exclusively to redeem maturing debt obligations of the Treasury of the United States held by foreign governments in the amounts specified in subsection (b).

(ii) The amounts in the Deficit Reduction Fund as set forth in subsection (b) that result from increases in total revenues and spending reductions shall not be available for new spending or to finance measures that increase the deficit for purposes of budget enforcement procedures under the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901-922 [900-922]).

(d) *Effect on Other Funds.* Establishment of and transfers to the Deficit Reduction Fund shall not affect trust fund transfers that may be authorized or required by provisions of the Omnibus Reconciliation Act of 1993 or any other provision of law.

SEC. 3. *Requirement for the President To Report Annually on the Status of the Fund.* The Director of the Office of Management and Budget shall include in the President's Budget transmitted under section 1105 of title 31, United States Code, information about the Deficit Reduction Fund, including a separate statement of amounts in and Federal debt redeemed by that Fund.

SEC. 4. *Implementation.* The Secretary of the Treasury and the Director of the Office of Management and Budget shall each take such actions as may be necessary, within their respective authorities, promptly to carry out this order.

SEC. 5. *Effective Date.* This order shall take effect upon enactment of the Omnibus Budget Reconciliation Act of 1993 [Aug. 10, 1993].

WILLIAM J. CLINTON.



**§ 901. Enforcing discretionary spending limits****(a) Enforcement****(1) Sequestration**

Within 15 calendar days after Congress adjourns to end a session there shall be a sequestration to eliminate a budget-year breach, if any, within any category.

**(2) Eliminating a breach**

Each non-exempt account within a category shall be reduced by a dollar amount calculated by multiplying the enacted level of sequestrable budgetary resources in that account at that time by the uniform percentage necessary to eliminate a breach within that category.

**(3) Military personnel**

If the President uses the authority to exempt any personnel account from sequestration under section 905(f) of this title, each account within subfunctional category 051 (other than those military personnel accounts for which the authority provided under section 905(f) of this title has been exercised) shall be further reduced by a dollar amount calculated by multiplying the enacted level of non-exempt budgetary resources in that account at that time by the uniform percentage necessary to offset the total dollar amount by which outlays are not reduced in military personnel accounts by reason of the use of such authority.

**(4) Part-year appropriations**

If, on the date specified in paragraph (1), there is in effect an Act making or continuing appropriations for part of a fiscal year for any budget account, then the dollar sequestration calculated for that account under paragraphs (2) and (3) shall be subtracted from—

(A) the annualized amount otherwise available by law in that account under that or a subsequent part-year appropriation; and

(B) when a full-year appropriation for that account is enacted, from the amount otherwise provided by the full-year appropriation for that account.

**(5) Look-back**

If, after June 30, an appropriation for the fiscal year in progress is enacted that causes a breach within a category for that year (after taking into account any sequestration of amounts within that category), the discretionary spending limits for that category for the next fiscal year shall be reduced by the amount or amounts of that breach.

**(6) Within-session sequestration**

If an appropriation for a fiscal year in progress is enacted (after Congress adjourns to end the session for that budget year and before July 1 of that fiscal year) that causes a breach within a category for that year (after taking into account any prior sequestration of amounts within that category), 15 days later there shall be a sequestration to eliminate that breach within that category following the procedures set forth in paragraphs (2) through (4).

**(7) Estimates****(A) CBO estimates**

As soon as practicable after Congress completes action on any discretionary appropriation, CBO, after consultation with the Committees on the Budget of the House of Representatives and the Senate, shall provide OMB with an estimate of the amount of discretionary new budget authority and outlays for the current year, if any, and the budget year provided by that legislation.

**(B) OMB estimates and explanation of differences**

Not later than 7 calendar days (excluding Saturdays, Sundays, and legal holidays) after the date of enactment of any discretionary appropriation, OMB shall transmit a report to the House of Representatives and to the Senate containing the CBO estimate of that legislation, an OMB estimate of the amount of discretionary new budget authority and outlays for the current year, if any, and the budget year provided by that legislation, and an explanation of any difference between the 2 estimates. If during the preparation of the report OMB determines that there is a significant difference between OMB and CBO, OMB shall consult with the Committees on the Budget of the House of Representatives and the Senate regarding that difference and that consultation shall include, to the extent practicable, written communication to those committees that affords such committees the opportunity to comment before the issuance of the report.

**(C) Assumptions and guidelines**

OMB estimates under this paragraph shall be made using current economic and technical assumptions. OMB shall use the OMB estimates transmitted to the Congress under this paragraph. OMB and CBO shall prepare estimates under this paragraph in conformance with scorekeeping guidelines determined after consultation among the Committees on the Budget of the House of Representatives and the Senate, CBO, and OMB.

**(D) Annual appropriations**

For purposes of this paragraph, amounts provided by annual appropriations shall include any discretionary appropriations for the current year, if any, and the budget year in accounts for which funding is provided in that legislation that result from previously enacted legislation.

**(b) Adjustments to discretionary spending limits****(1) Concepts and definitions**

When the President submits the budget under section 1105 of title 31, OMB shall calculate and the budget shall include adjustments to discretionary spending limits (and those limits as cumulatively adjusted) for the budget year and each outyear to reflect changes in concepts and definitions. Such changes shall equal the baseline levels of new budget authority and outlays using up-to-date concepts and definitions, minus those levels using the concepts and definitions in effect be-

fore such changes. Such changes may only be made after consultation with the Committees on Appropriations and the Budget of the House of Representatives and the Senate, and that consultation shall include written communication to such committees that affords such committees the opportunity to comment before official action is taken with respect to such changes.

## (2) Sequestration reports

When OMB submits a sequestration report under section 904(e), (f), or (g) of this title for a fiscal year, OMB shall calculate, and the sequestration report and subsequent budgets submitted by the President under section 1105(a) of title 31 shall include<sup>1</sup> adjustments to discretionary spending limits (and those limits as adjusted) for the fiscal year and each succeeding year, as follows:

### (A) Emergency appropriations; overseas contingency operations/global war on terrorism

If, for any fiscal year, appropriations for discretionary accounts are enacted that—

- (i) the Congress designates as emergency requirements in statute on an account by account basis and the President subsequently so designates, or
- (ii) the Congress designates for Overseas Contingency Operations/Global War on Terrorism in statute on an account by account basis and the President subsequently so designates,

the adjustment shall be the total of such appropriations in discretionary accounts designated as emergency requirements or for Overseas Contingency Operations/Global War on Terrorism, as applicable.

### (B) Continuing disability reviews and redeterminations

(i) If a bill or joint resolution making appropriations for a fiscal year is enacted that specifies an amount for continuing disability reviews under titles II and XVI of the Social Security Act [42 U.S.C. 401 et seq., 1381 et seq.] and for the cost associated with conducting redeterminations of eligibility under title XVI of the Social Security Act, then the adjustments for that fiscal year shall be the additional new budget authority provided in that Act for such expenses for that fiscal year, but shall not exceed—

- (I) for fiscal year 2012, \$623,000,000 in additional new budget authority;
- (II) for fiscal year 2013, \$751,000,000 in additional new budget authority;
- (III) for fiscal year 2014, \$924,000,000 in additional new budget authority;
- (IV) for fiscal year 2015, \$1,123,000,000 in additional new budget authority;
- (V) for fiscal year 2016, \$1,166,000,000 in additional new budget authority;
- (VI) for fiscal year 2017, \$1,309,000,000 in additional new budget authority;
- (VII) for fiscal year 2018, \$1,309,000,000 in additional new budget authority;

(VIII) for fiscal year 2019, \$1,309,000,000 in additional new budget authority;

(IX) for fiscal year 2020, \$1,309,000,000 in additional new budget authority; and

(X) for fiscal year 2021, \$1,309,000,000 in additional new budget authority.

(ii) As used in this subparagraph—

(I) the term “continuing disability reviews” means continuing disability reviews under sections 221(i) and 1614(a)(4) of the Social Security Act [42 U.S.C. 421(i), 1382c(a)(4)];

(II) the term “redetermination” means redetermination of eligibility under sections 1611(c)(1) and 1614(a)(3)(H) of the Social Security Act [42 U.S.C. 1382(c)(1), 1382c(a)(3)(H)]; and

(III) the term “additional new budget authority” means the amount provided for a fiscal year, in excess of \$273,000,000, in an appropriation Act and specified to pay for the costs of continuing disability reviews and redeterminations under the heading “Limitation on Administrative Expenses” for the Social Security Administration.

### (C) Health care fraud and abuse control

(i) If a bill or joint resolution making appropriations for a fiscal year is enacted that specifies an amount for the health care fraud abuse control program at the Department of Health and Human Services (75-8393-0-7-571), then the adjustments for that fiscal year shall be the amount of additional new budget authority provided in that Act for such program for that fiscal year, but shall not exceed—

- (I) for fiscal year 2012, \$270,000,000 in additional new budget authority;
- (II) for fiscal year 2013, \$299,000,000 in additional new budget authority;
- (III) for fiscal year 2014, \$329,000,000 in additional new budget authority;
- (IV) for fiscal year 2015, \$361,000,000 in additional new budget authority;
- (V) for fiscal year 2016, \$395,000,000 in additional new budget authority;
- (VI) for fiscal year 2017, \$414,000,000 in additional new budget authority;
- (VII) for fiscal year 2018, \$434,000,000 in additional new budget authority;
- (VIII) for fiscal year 2019, \$454,000,000 in additional new budget authority;
- (IX) for fiscal year 2020, \$475,000,000 in additional new budget authority; and
- (X) for fiscal year 2021, \$496,000,000 in additional new budget authority.

(ii) As used in this subparagraph, the term “additional new budget authority” means the amount provided for a fiscal year, in excess of \$311,000,000, in an appropriation Act and specified to pay for the costs of the health care fraud and abuse control program.

### (D) Disaster funding

(i) If, for fiscal years 2012 through 2021, appropriations for discretionary accounts are enacted that Congress designates as being for disaster relief in statute, the adjustment for a fiscal year shall be the total of such ap-

<sup>1</sup> So in original. Probably should be followed by a comma.

propriations for the fiscal year in discretionary accounts designated as being for disaster relief, but not to exceed the total of—

(I) the average funding provided for disaster relief over the previous 10 years, excluding the highest and lowest years; and

(II) the amount, for years when the enacted new discretionary budget authority designated as being for disaster relief for the preceding fiscal year was less than the average as calculated in subclause (I) for that fiscal year, that is the difference between the enacted amount and the allowable adjustment as calculated in such subclause for that fiscal year.

(ii) OMB shall report to the Committees on Appropriations and Budget in each House the average calculated pursuant to clause (i)(II), not later than 30 days after August 2, 2011.

(iii) For the purposes of this subparagraph, the term “disaster relief” means activities carried out pursuant to a determination under section 5122(2) of title 42.

(iv) Appropriations considered disaster relief under this subparagraph in a fiscal year shall not be eligible for adjustments under subparagraph (A) for the fiscal year.

### (c) Discretionary spending limit

As used in this subchapter, the term “discretionary spending limit” means—

(1) with respect to fiscal year 2012—

(A) for the security category, \$684,000,000,000 in new budget authority; and

(B) for the nonsecurity category, \$359,000,000,000 in new budget authority;

(2) with respect to fiscal year 2013—

(A) for the security category, \$686,000,000,000 in new budget authority; and

(B) for the nonsecurity category, \$361,000,000,000 in new budget authority;

(3) with respect to fiscal year 2014, for the discretionary category, \$1,066,000,000,000 in new budget authority;

(4) with respect to fiscal year 2015, for the discretionary category, \$1,086,000,000,000 in new budget authority;

(5) with respect to fiscal year 2016, for the discretionary category, \$1,107,000,000,000 in new budget authority;

(6) with respect to fiscal year 2017, for the discretionary category, \$1,131,000,000,000 in new budget authority;

(7) with respect to fiscal year 2018, for the discretionary category, \$1,156,000,000,000 in new budget authority;

(8) with respect to fiscal year 2019, for the discretionary category, \$1,182,000,000,000 in new budget authority;

(9) with respect to fiscal year 2020, for the discretionary category, \$1,208,000,000,000 in new budget authority; and

(10) with respect to fiscal year 2021, for the discretionary category, \$1,234,000,000,000 in new budget authority;

as adjusted in strict conformance with subsection (b).

(Pub. L. 99-177, title II, §251, Dec. 12, 1985, 99 Stat. 1063; Pub. L. 100-119, title I, §102(a), Sept.

29, 1987, 101 Stat. 754; Pub. L. 100-203, title VIII, §8003(f), Dec. 22, 1987, 101 Stat. 1330-282; Pub. L. 101-508, title XIII, §13101(a), (e)(2), Nov. 5, 1990, 104 Stat. 1388-577, 1388-593; Pub. L. 103-66, title XIV, §14002(c)(1), Aug. 10, 1993, 107 Stat. 683; Pub. L. 103-87, title V, §571, Sept. 30, 1993, 107 Stat. 971; Pub. L. 103-306, title V, §562, Aug. 23, 1994, 108 Stat. 1649; Pub. L. 103-354, title I, §119(d)(1), Oct. 13, 1994, 108 Stat. 3208; Pub. L. 104-121, title I, §103(b), Mar. 29, 1996, 110 Stat. 848; Pub. L. 104-193, title II, §211(d)(5)(B), Aug. 22, 1996, 110 Stat. 2191; Pub. L. 104-208, div. A, title I, §101(c) [title V, §577], Sept. 30, 1996, 110 Stat. 3009-121, 3009-169; Pub. L. 105-33, title X, §10203(a), (b), Aug. 5, 1997, 111 Stat. 698, 701; Pub. L. 105-89, title II, §201(b)(1), Nov. 19, 1997, 111 Stat. 2125; Pub. L. 105-178, title VIII, §8101(a), (d), June 9, 1998, 112 Stat. 488, 490; Pub. L. 106-291, title VIII, §801(a), (b), Oct. 11, 2000, 114 Stat. 1026, 1027; Pub. L. 106-429, §101(a) [title VII, §701(a)], Nov. 6, 2000, 114 Stat. 1900, 1900A-64; Pub. L. 107-117, div. C, §101(a), Jan. 10, 2002, 115 Stat. 2341; Pub. L. 108-88, §10(a), (b), Sept. 30, 2003, 117 Stat. 1127; Pub. L. 108-310, §10(a), (b), Sept. 30, 2004, 118 Stat. 1160; Pub. L. 109-59, title VIII, §§8001(a), 8002, Aug. 10, 2005, 119 Stat. 1915, 1916; Pub. L. 112-25, title I, §101, Aug. 2, 2011, 125 Stat. 241.)

### REFERENCES IN TEXT

The Social Security Act, referred to in subsec. (b)(2)(B)(i), is act Aug. 14, 1935, ch. 531, 49 Stat. 620. Titles II and XVI of the Act are classified generally to subchapters II (§401 et seq.) and XVI (§1381 et seq.), respectively, of chapter 7 of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

### CODIFICATION

Pub. L. 101-508, §13101(e)(2), redesignated former subsec. (a)(6)(I) of this section as section 257(e) of Pub. L. 99-177, which is classified to section 907(e) of this title.

### AMENDMENTS

2011—Pub. L. 112-25 amended section generally. Prior to amendment, section related to enforcing discretionary spending limits.

2005—Subsec. (b)(1)(B) to (E). Pub. L. 109-59, §8002, re-enacted heading of subpar. (B) without change and amended text of subpars. (B) to (E) generally. Prior to amendment, subpar. (B) provided for adjustments to align highway spending with revenues using amount of obligations set forth in section 8103 of the Transportation Equity Act for the 21st Century and estimates of receipts for fiscal years 1998 through 2003, subpar. (C) provided for additional adjustments required in budget submissions for fiscal years 2000 through 2003, subpar. (D) provided for a final sequester report for fiscal year 1999 and an adjustment of estimates upon submission of the budget for fiscal years 2000 through 2003, and subpar. (E) required consultation with the Committees on the Budget and inclusion of a report on adjustments under subparagraphs (B) and (C) in the preview report.

Subsec. (c). Pub. L. 109-59, §8001(a), added pars. (1) to (5), redesignated former pars. (2) to (9) as (6) to (13), respectively, and struck out former par. (1) which read as follows: “with respect to fiscal year 2004—

“(A) for the highway category: \$31,834,000,000 in outlays;

“(B) for the mass transit category: \$1,462,000,000 in new budget authority and \$6,629,000,000 in outlays; and

“(C) for the conservation spending category: \$2,080,000,000, in new budget authority and \$2,032,000,000 in outlays;”.

2004—Subsec. (b)(2). Pub. L. 108-310, §10(a), which directed amendment of par. (2) by striking out “through

2002” in introductory provisions, could not be executed because the phrase “through 2002” did not appear subsequent to amendment by Pub. L. 108–88, §10(a). See 2003 Amendment note below.

Subsec. (c). Pub. L. 108–310, §10(b), which directed the amendment of subsec. (c) by redesignating par. (8) as par. (1), substituting “with respect to fiscal year 2005—” for “with respect to fiscal year 2005” and adding subpars. (A) and (B) in par. (1), redesignating remaining provisions of par. (1) as subpar. (C), redesignating pars. (9) to (16) as (2) to (9), respectively, and striking out former pars. (1) to (7), which defined “discretionary spending limit” with respect to fiscal years 2002 to 2006, either could not be executed or could not be executed as intended because of prior amendments by Pub. L. 108–88, §10(b). See 2003 Amendment notes below.

2003—Subsec. (b)(2). Pub. L. 108–88, §10(a), struck out “through 2002” after “succeeding year” in introductory provisions.

Subsec. (c)(1). Pub. L. 108–88, §10(b)(1), redesignated par. (8) as (1), substituted “with respect to fiscal year 2004—” for “with respect to fiscal year 2004”, added subpars. (A) and (B), redesignated remaining provisions of par. (1) as subpar. (C), and struck out former par. (1), which defined “discretionary spending limit” with respect to fiscal year 1997.

Subsec. (c)(2) to (16). Pub. L. 108–88, §10(b), redesignated pars. (9) to (16) as (2) to (9), respectively, and struck out former pars. (2) to (7), which defined “discretionary spending limit” with respect to fiscal years 1998 to 2003.

2002—Subsec. (c)(6)(A). Pub. L. 107–117, §101(a)(1), added subpar. (A) and struck out former subpar. (A) which read as follows: “for the discretionary category: \$551,074,000,000 in new budget authority and \$560,799,000,000 in outlays;”.

Subsec. (c)(6)(C). Pub. L. 107–117, §101(a)(2), struck out second “and” at end.

Subsec. (c)(6)(D). Pub. L. 107–117, §101(a)(3), substituted “\$1,473,000,000” for “\$1,232,000,000”.

2000—Subsec. (b)(2)(H). Pub. L. 106–291, §801(b), added subpar. (H).

Subsec. (c)(5)(A). Pub. L. 106–429 added subpar. (A) and struck out former subpar. (A) which read as follows: “for the discretionary category: \$542,032,000,000 in new budget authority and \$564,396,000,000 in outlays;”.

Subsec. (c)(6)(D). Pub. L. 106–291, §801(a)(1), added subpar. (D).

Subsec. (c)(7)(C). Pub. L. 106–291, §801(a)(2), added subpar. (C).

Subsec. (c)(8) to (16). Pub. L. 106–291, §801(a)(3), added pars. (8) to (16).

1998—Subsec. (b)(1). Pub. L. 105–178, §8101(d), designated existing provisions as subpar. (A), inserted heading, and added subpars. (B) to (E).

Subsec. (c)(3)(D), (E). Pub. L. 105–178, §8101(a)(1), added subpars. (D) and (E).

Subsec. (c)(4)(C), (D). Pub. L. 105–178, §8101(a)(2), added subpars. (C) and (D).

Subsec. (c)(5). Pub. L. 105–178, §8101(a)(3), substituted a dash for comma after “2001”, designated remaining provisions as subpar. (A), realigned margins, struck out “and” at end, and added subpars. (B) and (C).

Subsec. (c)(6). Pub. L. 105–178, §8101(a)(4), substituted a dash for comma after “2002”, designated remaining provisions as subpar. (A), realigned margins, and added subpars. (B) and (C).

Subsec. (c)(7). Pub. L. 105–178, §8101(a)(5), added par. (7).

1997—Subsec. (a). Pub. L. 105–33, §10203(a)(1), struck out “Fiscal Years 1991–1998” before “Enforcement” in heading.

Subsec. (a)(3). Pub. L. 105–33, §10203(a)(2), substituted “section 905(f)” for “section 905(h)” in two places.

Subsec. (a)(7). Pub. L. 105–33, §10203(a)(3), added par. (7) and struck out heading and text of former par. (7). Text read as follows: “As soon as practicable after Congress completes action on any discretionary appropriation, CBO, after consultation with the Committees on the Budget of the House of Representatives and the

Senate, shall provide OMB with an estimate of the amount of discretionary new budget authority and outlays for the current year (if any) and the budget year provided by that legislation. Within 5 calendar days after the enactment of any discretionary appropriation, OMB shall transmit a report to the House of Representatives and to the Senate containing the CBO estimate of that legislation, an OMB estimate of the amount of discretionary new budget authority and outlays for the current year (if any) and the budget year provided by that legislation, and an explanation of any difference between the two estimates. For purposes of this paragraph, amounts provided by annual appropriations shall include any new budget authority and outlays for those years in accounts for which funding is provided in that legislation that result from previously enacted legislation. Those OMB estimates shall be made using current economic and technical assumptions. OMB shall use the OMB estimates transmitted to the Congress under this paragraph for the purposes of this subsection. OMB and CBO shall prepare estimates under this paragraph in conformance with scorekeeping guidelines determined after consultation among the House and Senate Committees on the Budget, CBO, and OMB.”

Subsec. (b). Pub. L. 105–33, §10203(a)(4), added subsec. (b) and struck out heading and text of former subsec. (b) which provided that when the President submitted the budget for a budget year from 1992 to 1998, OMB was to calculate, and the budget was to include, adjustments to discretionary spending limits reflecting certain enumerated factors and provided that when OMB submitted a sequestration report for a fiscal year from 1991 to 1998, OMB was to calculate, and the sequestration report and subsequent budgets were to include, adjustments to discretionary spending limits reflecting certain enumerated factors.

Subsec. (b)(2)(G). Pub. L. 105–89 added subpar. (G).

Subsec. (c). Pub. L. 105–33, §10203(b), added subsec. (c). 1996—Subsec. (b)(2)(G). Pub. L. 104–208 substituted “fiscal years 1994, 1995, and 1997” for “fiscal year 1994 and 1995” in two places.

Subsec. (b)(2)(H). Pub. L. 104–121 added subpar. (H).

Subsec. (b)(2)(H)(i). Pub. L. 104–193, §211(d)(5)(B)(i), substituted “\$175,000,000” for “\$25,000,000” and “\$310,000,000” for “\$160,000,000” in subcl. (II), and “\$245,000,000” for “\$145,000,000” and “\$470,000,000” for “\$370,000,000” in subcl. (III).

Subsec. (b)(2)(H)(ii)(I). Pub. L. 104–193, §211(d)(5)(B)(ii), amended subcl. (I) generally. Prior to amendment, subcl. (I) read as follows: “the term ‘continuing disability reviews’ has the meaning given such term by section 401(g)(1)(A) of title 42;”.

1994—Subsec. (b)(2)(D)(i). Pub. L. 103–354 inserted at end “This subparagraph shall not apply to appropriations to cover agricultural crop disaster assistance.”

Subsec. (b)(2)(G). Pub. L. 103–306 substituted “1994 and 1995” for “1994” in two places.

1993—Subsec. (a). Pub. L. 103–66, §14002(c)(1)(A), substituted “1998” for “1995” in heading.

Subsec. (b)(1). Pub. L. 103–66, §14002(c)(1)(B)(i), in introductory provisions, substituted “1995, 1996, 1997, or 1998” for “or 1995” and “outyear through 1998” for “out-year through 1995”.

Subsec. (b)(1)(B)(iii). Pub. L. 103–66, §14002(c)(1)(B)(ii), added cl. (iii).

Subsec. (b)(2). Pub. L. 103–66, §14002(c)(1)(B)(iii), in introductory provisions, substituted “1995, 1996, 1997, or 1998” for “or 1995” and “year through 1998” for “year through 1995”.

Subsec. (b)(2)(D)(i). Pub. L. 103–66, §14002(c)(1)(B)(iv), substituted “for any fiscal year,” for “for fiscal year 1991, 1992, 1993, 1994, or 1995,”.

Subsec. (b)(2)(E)(iv). Pub. L. 103–66, §14002(c)(1)(B)(v), added cl. (iv).

Subsec. (b)(2)(F). Pub. L. 103–66, §14002(c)(1)(B)(vi), inserted before period at end “, and not to exceed 0.5 percent of the adjusted discretionary [sic] spending limit on outlays for the fiscal year in fiscal year 1996, 1997, or 1998”.

Subsec. (b)(2)(G). Pub. L. 103–87 added subpar. (G).

1990—Pub. L. 101–508, §13101(a), amended section generally, substituting subsecs. (a) and (b) relating to enforcement of discretionary spending limits for former subsecs. (a) to (e) relating to reporting of excess deficits.

Subsec. (a)(6)(I). Pub. L. 101–508, §13101(e)(2), redesignated subsec. (a)(6)(I) of this section as section 907(e) of this title.

1987—Pub. L. 100–119 amended section generally, substituting provisions consisting of subsecs. (a) to (e) relating to reports by Director of CBO to Director of OMB and to Congress and by Director of OMB to President and Congress for provisions consisting of subsecs. (a) to (g) relating to joint reports by Directors of CBO and OMB to Comptroller General and report by Comptroller General to President and Congress.

Subsec. (a)(6)(B). Pub. L. 100–203, §8003(f), struck out “and” before “contract authority” and inserted provision whereby the authority to provide insurance through the Federal Housing Administration Fund be continued.

#### EFFECTIVE DATE OF 1997 AMENDMENT

Amendment by Pub. L. 105–89 effective Nov. 19, 1997, except as otherwise provided, with delay permitted if State legislation is required, see section 501 of Pub. L. 105–89, set out as a note under section 622 of Title 42, The Public Health and Welfare.

#### EFFECTIVE DATE OF 1994 AMENDMENT

Section 119(d)(1) of Pub. L. 103–354 provided that the amendment made by that section is effective Jan. 1, 1995.

#### ADJUSTMENT FOR ROUNDING

Pub. L. 106–429, §101(a) [title VII, §701(c)], Nov. 6, 2000, 114 Stat. 1900, 1900A–64, provided for adjustments for rounding.

Pub. L. 106–113, div. B, §1000(a)(5) [title III, §307], Nov. 29, 1999, 113 Stat. 1536, 1501A–306, provided for adjustments for rounding.

#### OFFSETTING ADJUSTMENT IN DISCRETIONARY SPENDING LIMITS

Pub. L. 105–178, title VIII, §8101(b), June 9, 1998, 112 Stat. 489, as amended by Pub. L. 105–206, title IX, §9013(a), July 22, 1998, 112 Stat. 865, provided adjustments of nondefense category for fiscal year 1999, discretionary category for fiscal year 2000, and discretionary spending limits for fiscal years 2001 and 2002.

#### LEVEL OF OBLIGATION LIMITATIONS

Pub. L. 109–59, title VIII, §8003, Aug. 10, 2005, 119 Stat. 1917, as amended by Pub. L. 111–147, title IV, §446(a), (b), Mar. 18, 2010, 124 Stat. 95, 96; Pub. L. 111–322, title II, §2308, Dec. 22, 2010, 124 Stat. 3530; Pub. L. 112–5, title III, §308, Mar. 4, 2011, 125 Stat. 21, provided that:

“(a) HIGHWAY CATEGORY.—For the purposes of [former] section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 [former 2 U.S.C. 901(b)], the level of obligation limitations for the highway category is—

“(1) for fiscal year 2005, \$35,164,292,000;

“(2) for fiscal year 2006, \$37,220,843,903;

“(3) for fiscal year 2007, \$39,460,710,516;

“(4) for fiscal year 2008, \$40,824,075,404;

“(5) for fiscal year 2009, \$42,469,970,178;

“(6) for fiscal year 2010, \$42,469,970,178; and

“(7) for fiscal year 2011, \$42,469,970,178.

“(b) MASS TRANSIT CATEGORY.—For the purposes of section 251(b) of the Balanced Budget and Emergency Deficit Control Act of 1985, the level of obligation limitations for the mass transit category is—

“(1) for fiscal year 2005, \$7,646,336,000;

“(2) for fiscal year 2006, \$8,622,931,000;

“(3) for fiscal year 2007, \$8,974,775,000;

“(4) for fiscal year 2008, \$9,730,893,000;

“(5) for fiscal year 2009, \$10,338,065,000;

“(6) for fiscal year 2010, \$10,338,065,000; and

“(7) for fiscal year 2011, \$10,338,065,000.

For purposes of this subsection, the term ‘obligation limitations’ means the sum of budget authority and obligation limitations.”

Similar provisions for prior fiscal years were contained in the following prior act:

Pub. L. 105–178, title VIII, §8103, June 9, 1998, 112 Stat. 492, as amended by Pub. L. 108–88, §11(a), (b), Sept. 30, 2003, 117 Stat. 1128; Pub. L. 108–310, §11(a), (b), Sept. 30, 2004, 118 Stat. 1161.

### § 901a. Enforcement of budget goal

Unless a joint committee bill achieving an amount greater than \$1,200,000,000,000 in deficit reduction as provided in section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011 is enacted by January 15, 2012, the discretionary spending limits listed in section 901(c) of this title shall be revised, and discretionary appropriations and direct spending shall be reduced, as follows:

#### (1) Revised security category; revised nonsecurity category

(A) The term “revised security category” means discretionary appropriations in budget function 050.

(B) The term “revised nonsecurity category” means discretionary appropriations other than in budget function 050.

#### (2) Revised discretionary spending limits

The discretionary spending limits for fiscal years 2013 through 2021 under section 901(c) of this title shall be replaced with the following:

(A) For fiscal year 2013—

(i) for the security category, \$546,000,000,000 in budget authority; and

(ii) for the nonsecurity category, \$501,000,000,000 in budget authority.

(B) For fiscal year 2014—

(i) for the security category, \$556,000,000,000 in budget authority; and

(ii) for the nonsecurity category, \$510,000,000,000 in budget authority.

(C) For fiscal year 2015—

(i) for the security category, \$566,000,000,000 in budget authority; and

(ii) for the nonsecurity category, \$520,000,000,000 in budget authority.

(D) For fiscal year 2016—

(i) for the security category, \$577,000,000,000 in budget authority; and

(ii) for the nonsecurity category, \$530,000,000,000 in budget authority.

(E) For fiscal year 2017—

(i) for the security category, \$590,000,000,000 in budget authority; and

(ii) for the nonsecurity category, \$541,000,000,000 in budget authority.

(F) For fiscal year 2018—

(i) for the security category, \$603,000,000,000 in budget authority; and

(ii) for the nonsecurity category, \$553,000,000,000 in budget authority.

(G) For fiscal year 2019—

(i) for the security category, \$616,000,000,000 in budget authority; and

(ii) for the nonsecurity category, \$566,000,000,000 in budget authority.

- (H) For fiscal year 2020—
  - (i) for the security category, \$630,000,000,000 in budget authority; and
  - (ii) for the nonsecurity category, \$578,000,000,000 in budget authority.
- (I) For fiscal year 2021—
  - (i) for the security category, \$644,000,000,000 in budget authority; and
  - (ii) for the nonsecurity category, \$590,000,000,000 in budget authority.

**(3) Calculation of total deficit reduction**

OMB shall calculate the amount of the deficit reduction required by this section for each of fiscal years 2013 through 2021 by—

- (A) starting with \$1,200,000,000,000;
- (B) subtracting the amount of deficit reduction achieved by the enactment of a joint committee bill, as provided in section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011;
- (C) reducing the difference by 18 percent to account for debt service; and
- (D) dividing the result by 9.

**(4) Allocation to functions**

On January 2, 2013, for fiscal year 2013, and in its sequestration preview report for fiscal years 2014 through 2021 pursuant to section 904(c) of this title, OMB shall allocate half of the total reduction calculated pursuant to paragraph (3) for that year to discretionary appropriations and direct spending accounts within function 050 (defense function) and half to accounts in all other functions (nondefense functions).

**(5) Defense function reduction**

OMB shall calculate the reductions to discretionary appropriations and direct spending for each of fiscal years 2013 through 2021 for defense function spending as follows:

**(A) Discretionary**

OMB shall calculate the reduction to discretionary appropriations by—

- (i) taking the total reduction for the defense function allocated for that year under paragraph (4);
- (ii) multiplying by the discretionary spending limit for the revised security category for that year; and
- (iii) dividing by the sum of the discretionary spending limit for the security category and OMB's baseline estimate of nonexempt outlays for direct spending programs within the defense function for that year.

**(B) Direct spending**

OMB shall calculate the reduction to direct spending by taking the total reduction for the defense function required for that year under paragraph (4) and subtracting the discretionary reduction calculated pursuant to subparagraph (A).

**(6) Nondefense function reduction**

OMB shall calculate the reduction to discretionary appropriations and to direct spending for each of fiscal years 2013 through 2021 for programs in nondefense functions as follows:

**(A) Discretionary**

OMB shall calculate the reduction to discretionary appropriations by—

- (i) taking the total reduction for nondefense functions allocated for that year under paragraph (4);
- (ii) multiplying by the discretionary spending limit for the revised nonsecurity category for that year; and
- (iii) dividing by the sum of the discretionary spending limit for the revised nonsecurity category and OMB's baseline estimate of nonexempt outlays for direct spending programs in nondefense functions for that year.

**(B) Direct spending**

OMB shall calculate the reduction to direct spending programs by taking the total reduction for nondefense functions required for that year under paragraph (4) and subtracting the discretionary reduction calculated pursuant to subparagraph (A).

**(7) Implementing discretionary reductions**

**(A) Fiscal year 2013**

On January 2, 2013, for fiscal year 2013, OMB shall calculate and the President shall order a sequestration, effective upon issuance and under the procedures set forth in section 903(f) of this title, to reduce each account within the security category or nonsecurity category by a dollar amount calculated by multiplying the baseline level of budgetary resources in that account at that time by a uniform percentage necessary to achieve—

- (i) for the revised security category, an amount equal to the defense function discretionary reduction calculated pursuant to paragraph (5); and
- (ii) for the revised nonsecurity category, an amount equal to the nondefense function discretionary reduction calculated pursuant to paragraph (6).

**(B) Fiscal years 2014–2021**

On the date of the submission of its sequestration preview report for fiscal years 2014 through 2021 pursuant to section 904(c) of this title for each of fiscal years 2014 through 2021, OMB shall reduce the discretionary spending limit—

- (i) for the revised security category by the amount of the defense function discretionary reduction calculated pursuant to paragraph (5); and
- (ii) for the revised nonsecurity category by the amount of the nondefense function discretionary reduction calculated pursuant to paragraph (6).

**(8) Implementing direct spending reductions**

On the date specified in paragraph (4) during each applicable year, OMB shall prepare and the President shall order a sequestration, effective upon issuance, of nonexempt direct spending to achieve the direct spending reduction calculated pursuant to paragraphs (5) and (6). When implementing the sequestration of direct spending pursuant to this paragraph, OMB shall follow the procedures specified in section 935 of this title, the exemptions specified in section 905 of this title, and the special rules specified in section 906 of this title, ex-

cept that the percentage reduction for the Medicare programs specified in section 906(d) of this title shall not be more than 2 percent for a fiscal year.

#### **(9) Adjustment for Medicare**

If the percentage reduction for the Medicare programs would exceed 2 percent for a fiscal year in the absence of paragraph (8), OMB shall increase the reduction for all other discretionary appropriations and direct spending under paragraph (6) by a uniform percentage to a level sufficient to achieve the reduction required by paragraph (6) in the non-defense function.

#### **(10) Implementation of reductions**

Any reductions imposed under this section shall be implemented in accordance with section 906(k) of this title.

#### **(11) Report**

On the dates specified in paragraph (4), OMB shall submit a report to Congress containing information about the calculations required under this section, the adjusted discretionary spending limits, a listing of the reductions required for each nonexempt direct spending account, and any other data and explanations that enhance public understanding of this title and actions taken under it.

(Pub. L. 99-177, title II, §251A, as added Pub. L. 112-25, title III, §302(a), Aug. 2, 2011, 125 Stat. 256.)

#### **REFERENCES IN TEXT**

Section 401(b)(3)(B)(i)(II) of the Budget Control Act of 2011, referred to in text, is section 401(b)(3)(B)(i)(II) of title IV of Pub. L. 112-25, which is set out in a note under section 900 of this title.

#### **PRIOR PROVISIONS**

A prior section 901a, Pub. L. 99-177, title II, §251A, as added Pub. L. 103-322, title XXXI, §310001(g)(1), Sept. 13, 1994, 108 Stat. 2104, related to sequestration with respect to Violent Crime Reduction Trust Fund, prior to repeal by Pub. L. 105-33, title X, §10204(a)(1), Aug. 5, 1997, 111 Stat. 702.

### **§ 902. Enforcing pay-as-you-go**

#### **(a) Purpose**

The purpose of this section is to assure that any legislation enacted before October 1, 2002, affecting direct spending or receipts that increases the deficit will trigger an offsetting sequestration.

#### **(b) Sequestration**

##### **(1) Timing**

Not later than 15 calendar days after the date Congress adjourns to end a session and on the same day as a sequestration (if any) under section 901 or 903 of this title, there shall be a sequestration to offset the amount of any net deficit increase caused by all direct spending and receipts legislation enacted before October 1, 2002, as calculated under paragraph (2).

##### **(2) Calculation of deficit increase**

OMB shall calculate the amount of deficit increase or decrease by adding—

(A) all OMB estimates for the budget year of direct spending and receipts legislation

transmitted under subsection (d) of this section;

(B) the estimated amount of savings in direct spending programs applicable to budget year resulting from the prior year's sequestration under this section or section 903 of this title, if any, as published in OMB's final sequestration report for that prior year; and

(C) any net deficit increase or decrease in the current year resulting from all OMB estimates for the current year of direct spending and receipts legislation transmitted under subsection (d) of this section that were not reflected in the final OMB sequestration report for the current year.

#### **(c) Eliminating a deficit increase**

(1) The amount required to be sequestered in a fiscal year under subsection (b) of this section shall be obtained from non-exempt direct spending accounts from actions taken in the following order:

##### **(A) First**

All reductions in automatic spending increases specified in section 906(a)<sup>1</sup> of this title shall be made.

##### **(B) Second**

If additional reductions in direct spending accounts are required to be made, the maximum reductions permissible under sections 906(b) of this title (guaranteed and direct student loans) and 906(c)<sup>1</sup> of this title (foster care and adoption assistance) shall be made.

##### **(C) Third**

(i) If additional reductions in direct spending accounts are required to be made, each remaining non-exempt direct spending account shall be reduced by the uniform percentage necessary to make the reductions in direct spending required by paragraph (1); except that the Medicare programs specified in section 906(d) of this title shall not be reduced by more than 4 percent and the uniform percentage applicable to all other direct spending programs under this paragraph shall be increased (if necessary) to a level sufficient to achieve the required reduction in direct spending.

(ii) For purposes of determining reductions under clause (i), outlay reductions (as a result of sequestration of Commodity Credit Corporation commodity price support contracts in the fiscal year of a sequestration) that would occur in the following fiscal year shall be credited as outlay reductions in the fiscal year of the sequestration.

(2) For purposes of this subsection, accounts shall be assumed to be at the level in the baseline.

#### **(d) Estimates**

##### **(1) CBO estimates**

As soon as practicable after Congress completes action on any direct spending or receipts legislation, CBO shall provide an estimate to OMB of that legislation.

##### **(2) OMB estimates**

Not later than 7 calendar days (excluding Saturdays, Sundays, and legal holidays) after

<sup>1</sup> See References in Text note below.

the date of enactment of any direct spending or receipts legislation, OMB shall transmit a report to the House of Representatives and to the Senate containing—

- (A) the CBO estimate of that legislation;
- (B) an OMB estimate of that legislation using current economic and technical assumptions; and
- (C) an explanation of any difference between the 2 estimates.

### (3) Significant differences

If during the preparation of the report under paragraph (2) OMB determines that there is a significant difference between the OMB and CBO estimates, OMB shall consult with the Committees on the Budget of the House of Representatives and the Senate regarding that difference and that consultation, to the extent practicable, shall include written communication to such committees that affords such committees the opportunity to comment before the issuance of that report.

### (4) Scope of estimates

The estimates under this section shall include the amount of change in outlays or receipts for the current year (if applicable), the budget year, and each outyear excluding any amounts resulting from—

- (A) full funding of, and continuation of, the deposit insurance guarantee commitment in effect under current estimates; and
- (B) emergency provisions as designated under subsection (e) of this section.

### (5) Scorekeeping guidelines

OMB and CBO, after consultation with each other and the Committees on the Budget of the House of Representatives and the Senate, shall—

- (A) determine common scorekeeping guidelines; and
- (B) in conformance with such guidelines, prepare estimates under this section.

### (e) Emergency legislation

If a provision of direct spending or receipts legislation is enacted that the President designates as an emergency requirement and that the Congress so designates in statute, the amounts of new budget authority, outlays, and receipts in all fiscal years resulting from that provision shall be designated as an emergency requirement in the reports required under subsection (d) of this section. This subsection shall not apply to direct spending provisions to cover agricultural crop disaster assistance.

(Pub. L. 99-177, title II, §252, Dec. 12, 1985, 99 Stat. 1072; Pub. L. 100-119, title I, §102(a), Sept. 29, 1987, 101 Stat. 764; Pub. L. 100-203, title VIII, §8003(e), Dec. 22, 1987, 101 Stat. 1330-282; Pub. L. 101-508, title XIII, §13101(a), Nov. 5, 1990, 104 Stat. 1388-581; Pub. L. 103-66, title XIV, §14003(a), Aug. 10, 1993, 107 Stat. 684; Pub. L. 103-354, title I, §119(d)(2), Oct. 13, 1994, 108 Stat. 3208; Pub. L. 105-33, title X, §10205, Aug. 5, 1997, 111 Stat. 702.)

#### REFERENCES IN TEXT

Section 906(a) of this title, referred to in subsec. (c)(1)(A), was repealed by Pub. L. 111-139, title I, §10(a), Feb. 12, 2010, 124 Stat. 21.

Section 906(c) of this title, referred to in subsec. (c)(1)(B), was repealed by Pub. L. 111-139, title I, §10(c), Feb. 12, 2010, 124 Stat. 22.

#### AMENDMENTS

1997—Subsec. (a). Pub. L. 105-33, §10205(1), added subsec. (a) and struck out heading and text of former subsec. (a). Text read as follows: “The purpose of this section is to assure that any legislation (enacted after November 5, 1990) affecting direct spending or receipts that increases the deficit in any fiscal year covered by this Act will trigger an offsetting sequestration.”

Subsec. (b). Pub. L. 105-33, §10205(1), added subsec. (b) and struck out heading and text of former subsec. (b) which required sequestrations at the end of a session of Congress to offset amount of any net deficit increase in that fiscal year and prior fiscal year caused by all direct spending and receipts legislation enacted after Nov. 5, 1990.

Subsec. (c)(1)(B). Pub. L. 105-33, §10205(2), inserted “and direct” after “guaranteed”.

Subsec. (d). Pub. L. 105-33, §10205(3), amended heading and text of subsec. (d) generally. Prior to amendment, text read as follows: “As soon as practicable after Congress completes action on any direct spending or receipts legislation enacted after November 5, 1990, after consultation with the Committees on the Budget of the House of Representatives and the Senate, CBO shall provide OMB with an estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1998 resulting from that legislation. Within 5 calendar days after the enactment of any direct spending or receipts legislation enacted after November 5, 1990, OMB shall transmit a report to the House of Representatives and to the Senate containing such CBO estimate of that legislation, an OMB estimate of the amount of change in outlays or receipts, as the case may be, in each fiscal year through fiscal year 1998 resulting from that legislation, and an explanation of any difference between the two estimates. Those OMB estimates shall be made using current economic and technical assumptions. OMB and CBO shall prepare estimates under this paragraph in conformance with scorekeeping guidelines determined after consultation among the House and Senate Committees on the Budget, CBO, and OMB.”

Subsec. (e). Pub. L. 105-33, §10205(4), struck out “, for any fiscal year from 1991 through 1998,” after “If” and “through 1995” after “receipts in all fiscal years”.

1994—Subsec. (e). Pub. L. 103-354 inserted at end “This subsection shall not apply to direct spending provisions to cover agricultural crop disaster assistance.”

1993—Subsec. (a). Pub. L. 103-66, §14003(a)(1), which directed the substitution of “Fiscal year 1992-1998 enforcement” for “Fiscal year 1992-1995 enforcement” in heading, was executed by substituting “Fiscal years 1992-1998 enforcement” for “Fiscal years 1992-1995 enforcement”, to reflect the probable intent of Congress.

Subsec. (d). Pub. L. 103-66, §14003(a)(2), substituted “through fiscal year 1998” for “through fiscal year 1995” in two places.

Subsec. (e). Pub. L. 103-66, §14003(a)(3), substituted “for any fiscal year from 1991 through 1998” for “for fiscal year 1991, 1992, 1993, 1994, or 1995”.

1990—Pub. L. 101-508 amended section generally, substituting subsecs. (a) to (e) relating to enforcement of pay-as-you-go for former subsecs. (a) to (g) relating to Presidential order.

1987—Pub. L. 100-119 amended section generally to reflect substitution of Director of OMB for Comptroller General as official submitting reports under section 901 of this title and to revise provisions relating to content of Presidential orders issued in accordance with those reports.

Subsec. (c)(2)(F)(ii). Pub. L. 100-203, §8003(e), substituted “proposed” for “made”.

#### EFFECTIVE DATE OF 1994 AMENDMENT

Section 119(d)(2) of Pub. L. 103-354 provided that the amendment made by that section is effective Jan. 1, 1995.



CONGRESSIONAL BUDGET OFFICE EXCEPTED FROM  
CERTAIN REQUIREMENTS

Pub. L. 112-25, title I, §104(b), Aug. 2, 2011, 125 Stat. 246, provided that: “Sections 252(d)(1), 254(c), 254(f)(3), and 254(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902(d)(1), 904(c), (f)(3), (i)] shall not apply to the Congressional Budget Office.”

REDUCTION OF PREEXISTING PAYGO BALANCES

Pub. L. 107-312, §1, Dec. 2, 2002, 116 Stat. 2456, provided that: “Upon enactment of this Act [Dec. 2, 2002], the Director of the Office of Management and Budget shall reduce any balances of direct spending and receipts legislation for all fiscal years under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] to zero.”

PAY-AS-YOU-GO ADJUSTMENT

Pub. L. 107-117, div. C, §102, Jan. 10, 2002, 115 Stat. 2342, provided that: “In preparing the final sequestration report for fiscal year 2002 required by section 254(f)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 904(f)(3)], the Director of the Office of Management and Budget shall change any balance of direct spending and receipts legislation for fiscal years 2001 and 2002 under section 252 of that Act [2 U.S.C. 902] to zero.”

CONFORMING PAYGO SCORECARD WITH TRANSPORTATION  
EQUITY ACT FOR 21ST CENTURY

Pub. L. 105-178, title VIII, §8102, June 9, 1998, 112 Stat. 492, as amended by Pub. L. 105-206, title IX, §9013(c), July 22, 1998, 112 Stat. 865, provided that: “Upon the enactment of this Act [June 9, 1998], the Director of the Office of Management and Budget shall not make any estimates under section 252(d) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902(d)] of changes in direct spending outlays and receipts for any fiscal year resulting from this title [see Tables for classification] or from section 1102 of this Act [23 U.S.C. 104 note].”

REDUCTION OF PREEXISTING BALANCES AND EXCLUSION  
OF EFFECTS OF PUB. L. 105-33 FROM PAYGO SCORECARD

Section 10213 of Pub. L. 105-33 provided that: “Upon the enactment of this Act [Aug. 5, 1997], the Director of the Office of Management and Budget shall—

“(1) reduce any balances of direct spending and receipts legislation for any fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] to zero; and

“(2) not make any estimates of changes in direct spending outlays and receipts under subsection (d) of that section for any fiscal year resulting from the enactment of this Act [see Tables for classification] or of the Taxpayer Relief Act of 1997 [Pub. L. 105-34, see Tables for classification].”

REDUCTION OF DIRECT SPENDING AND RECEIPTS  
LEGISLATION BALANCES

Section 14003(c) of Pub. L. 103-66 provided that: “Upon enactment of this Act [Aug. 10, 1993], the director of the Office of Management and Budget shall reduce the balances of direct spending and receipts legislation applicable to each fiscal year under section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] by an amount equal to the net deficit reduction achieved through the enactment in this Act [see Tables for classification] of direct spending and receipts legislation for that year.”

**§ 903. Enforcing deficit targets**

**(a) Sequestration**

Within 15 calendar days after Congress adjourns to end a session (other than of the One Hundred First Congress) and on the same day as a sequestration (if any) under section 901 of this

title and section 902 of this title, but after any sequestration required by section 901 of this title (enforcing discretionary spending limits) or section 902 of this title (enforcing pay-as-you-go), there shall be a sequestration to eliminate the excess deficit (if any remains) if it exceeds the margin.

**(b) Excess deficit; margin**

The excess deficit is, if greater than zero, the estimated deficit for the budget year, minus—

(1) the maximum deficit amount for that year;

(2) the amounts for that year designated as emergency direct spending or receipts legislation under section 902(e) of this title; and

(3) for any fiscal year in which there is not a full adjustment for technical and economic reestimates, the deposit insurance reestimate for that year, if any, calculated under subsection (h) of this section.

The “margin” for fiscal year 1992 or 1993 is zero and for fiscal year 1994 or 1995 is \$15,000,000,000.

**(c) Dividing sequestration**

To eliminate the excess deficit in a budget year, half of the required outlay reductions shall be obtained from non-exempt defense accounts (accounts designated as function 050 in the President’s fiscal year 1991 budget submission) and half from non-exempt, non-defense accounts (all other non-exempt accounts).

**(d) Defense**

Each non-exempt defense account shall be reduced by a dollar amount calculated by multiplying the level of sequestrable budgetary resources in that account at that time by the uniform percentage necessary to carry out subsection (c) of this section, except that, if any military personnel are exempt, adjustments shall be made under the procedure set forth in section 901(a)(3) of this title.

**(e) Non-defense**

Actions to reduce non-defense accounts shall be taken in the following order:

**(1) First**

All reductions in automatic spending increases under section 906(a)<sup>1</sup> of this title shall be made.

**(2) Second**

If additional reductions in non-defense accounts are required to be made, the maximum reduction permissible under sections 906(b) of this title (guaranteed student loans) and 906(c)<sup>1</sup> of this title (foster care and adoption assistance) shall be made.

**(3) Third**

(A) If additional reductions in non-defense accounts are required to be made, each remaining non-exempt, non-defense account shall be reduced by the uniform percentage necessary to make the reductions in non-defense outlays required by subsection (c) of this section, except that—

(i) the medicare program specified in section 906(d) of this title shall not be reduced

<sup>1</sup> See References in Text note below.

by more than 2 percent in total including any reduction of less than 2 percent made under section 902 of this title or, if it has been reduced by 2 percent or more under section 902 of this title, it may not be further reduced under this section; and

(ii) the health programs set forth in section 906(e) of this title shall not be reduced by more than 2 percent in total (including any reduction made under section 901 of this title),

and the uniform percent applicable to all other programs under this subsection shall be increased (if necessary) to a level sufficient to achieve the required reduction in non-defense outlays.

(B) For purposes of determining reductions under subparagraph (A), outlay reduction (as a result of sequestration of Commodity Credit Corporation commodity price support contracts in the fiscal year of a sequestration) that would occur in the following fiscal year shall be credited as outlay reductions in the fiscal year of the sequestration.

**(f) Baseline assumptions; part-year appropriations**

**(1) Budget assumptions**

For purposes of subsections (b), (c), (d), and (e) of this section, accounts shall be assumed to be at the level in the baseline minus any reductions required to be made under sections 901 and 902 of this title.

**(2) Part-year appropriations**

If, on the date specified in subsection (a) of this section, there is in effect an Act making or continuing appropriations for part of a fiscal year for any non-exempt budget account, then the dollar sequestration calculated for that account under subsection (d) or (e) of this section, as applicable, shall be subtracted from—

(A) the annualized amount otherwise available by law in that account under that or a subsequent part-year appropriation; and

(B) when a full-year appropriation for that account is enacted, from the amount otherwise provided by the full-year appropriation; except that the amount to be sequestered from that account shall be reduced (but not below zero) by the savings achieved by that appropriation when the enacted amount is less than the baseline for that account.

**(g) Adjustments to maximum deficit amounts**

**(1) Adjustments**

(A) When the President submits the budget for fiscal year 1992, the maximum deficit amounts for fiscal years 1992, 1993, 1994, and 1995 shall be adjusted to reflect up-to-date reestimates of economic and technical assumptions and any changes in concepts or definitions. When the President submits the budget for fiscal year 1993, the maximum deficit amounts for fiscal years 1993, 1994, and 1995 shall be further adjusted to reflect up-to-date reestimates of economic and technical assumptions and any changes in concepts or definitions.

(B) When submitting the budget for fiscal year 1994, the President may choose to ad-

just the maximum deficit amounts for fiscal years 1994 and 1995 to reflect up-to-date reestimates of economic and technical assumptions. If the President chooses to adjust the maximum deficit amount when submitting the fiscal year 1994 budget, the President may choose to invoke the same adjustment procedure when submitting the budget for fiscal year 1995. In each case, the President must choose between making no adjustment or the full adjustment described in paragraph (2). If the President chooses to make that full adjustment, then those procedures for adjusting discretionary spending limits described in sections 901(b)(1)(C)<sup>1</sup> and 901(b)(2)(E)<sup>1</sup> of this title, otherwise applicable through fiscal year 1993 or 1994 (as the case may be), shall be deemed to apply for fiscal year 1994 (and 1995 if applicable).

(C) When the budget for fiscal year 1994 or 1995 is submitted and the sequestration reports for those years under section 904 of this title are made (as applicable), if the President does not choose to make the adjustments set forth in subparagraph (B), the maximum deficit amount for that fiscal year shall be adjusted by the amount of the adjustment to discretionary spending limits first applicable for that year (if any) under section 901(b) of this title.

(D) For each fiscal year the adjustments required to be made with the submission of the President's budget for that year shall also be made when OMB submits the sequestration update report and the final sequestration report for that year, but OMB shall continue to use the economic and technical assumptions in the President's budget for that year.

Each adjustment shall be made by increasing or decreasing the maximum deficit amounts set forth in section 665<sup>1</sup> of this title.

**(2) Calculations of adjustments**

The required increase or decrease shall be calculated as follows:

(A) The baseline deficit or surplus shall be calculated using up-to-date economic and technical assumptions, using up-to-date concepts and definitions, and, in lieu of the baseline levels of discretionary appropriations, using the discretionary spending limits set forth in section 665<sup>1</sup> of this title as adjusted under section 901 of this title.

(B) The net deficit increase or decrease caused by all direct spending and receipts legislation enacted after November 5, 1990 (after adjusting for any sequestration of direct spending accounts) shall be calculated for each fiscal year by adding—

(i) the estimates of direct spending and receipts legislation transmitted under section 902(d) of this title applicable to each such fiscal year; and

(ii) the estimated amount of savings in direct spending programs applicable to each such fiscal year resulting from the prior year's sequestration under this section or section 902 of this title of direct spending, if any, as contained in OMB's final sequestration report for that year.

(C) The amount calculated under subparagraph (B) shall be subtracted from the amount calculated under subparagraph (A).

(D) The maximum deficit amount set forth in section 665<sup>1</sup> of this title shall be subtracted from the amount calculated under subparagraph (C).

(E) The amount calculated under subparagraph (D) shall be the amount of the adjustment required by paragraph (1).

#### (h) Treatment of deposit insurance

##### (1) Initial estimates

The initial estimates of the net costs of federal deposit insurance for fiscal year 1994 and fiscal year 1995 (assuming full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of the submission of the budget for fiscal year 1993) shall be set forth in that budget.

##### (2) Reestimates

For fiscal year 1994 and fiscal year 1995, the amount of the reestimate of deposit insurance costs shall be calculated by subtracting the amount set forth under paragraph (1) for that year from the current estimate of deposit insurance costs (but assuming full funding of, and continuation of, the deposit insurance guarantee commitment in effect on the date of submission of the budget for fiscal year 1993).

(Pub. L. 99-177, title II, §253, Dec. 12, 1985, 99 Stat. 1078; Pub. L. 100-119, title I, §103, Sept. 29, 1987, 101 Stat. 775; Pub. L. 101-508, title XIII, §13101(a), Nov. 5, 1990, 104 Stat. 1388-583.)

#### REFERENCES IN TEXT

Section 906(a) of this title, referred to in subsec. (e)(1), was repealed by Pub. L. 111-139, title I, §10(a), Feb. 12, 2010, 124 Stat. 21.

Section 906(c) of this title, referred to in subsec. (e)(2), was repealed by Pub. L. 111-139, title I, §10(c), Feb. 12, 2010, 124 Stat. 22.

Section 901(b) of this title, referred to in subsec. (g)(1)(B), was amended by Pub. L. 105-33, title X, §10203(a)(4), Aug. 5, 1997, 111 Stat. 699; Pub. L. 105-178, title VIII, §8101(d), June 9, 1998, 112 Stat. 490; Pub. L. 109-59, title VIII, §8002, Aug. 10, 2005, 119 Stat. 1916; and Pub. L. 112-25, title I, §101, Aug. 2, 2011, 125 Stat. 241, and as so amended, no longer contains par. (1)(C) or (2)(E).

Section 665 of this title, referred to in subsec. (g)(1), (2)(A), (D), was repealed by Pub. L. 105-33, title X, §10118(a), Aug. 5, 1997, 111 Stat. 695.

#### CODIFICATION

November 5, 1990, referred to in subsec. (g)(2)(B), was in the original “the date of enactment of this section”, which was translated as meaning the date of enactment of Pub. L. 101-508, which amended this section generally, to reflect the probable intent of Congress.

#### AMENDMENTS

1990—Pub. L. 101-508 amended section generally, substituting provisions relating to enforcement of deficit targets for provisions relating to compliance report by Comptroller General.

1987—Pub. L. 100-119 amended section generally, designating existing provisions as par. (1), substituting “(or December 15, 1987, in the case of the fiscal year 1988)” for “(or on or before April 1, 1986, in the case of the fiscal year 1986)”, and adding pars. (2) and (3).

## § 904. Reports and orders

### (a) Timetable

The timetable with respect to this subchapter for any budget year is as follows:

Date:	Action to be completed:
January 21 .....	Notification regarding optional adjustment of maximum deficit amount.
5 days before the President's budget submission.	CBO sequestration preview report.
The President's budget submission.	OMB sequestration preview report.
August 10 .....	Notification regarding military personnel.
August 15 .....	CBO sequestration update report.
August 20 .....	OMB sequestration update report.
10 days after end of session.	CBO final sequestration report.
15 days after end of session.	OMB final sequestration report; Presidential order.

### (b) Submission and availability of reports

Each report required by this section shall be submitted, in the case of CBO, to the House of Representatives, the Senate and OMB and, in the case of OMB, to the House of Representatives, the Senate, and the President on the day it is issued. On the following day a notice of the report shall be printed in the Federal Register.

### (c) Sequestration preview reports

#### (1) Reporting requirement

On the dates specified in subsection (a) of this section, OMB and CBO shall issue a preview report regarding discretionary, pay-as-you-go, and deficit sequestration based on laws enacted through those dates.

#### (2) Discretionary sequestration report

The preview reports shall set forth estimates for the current year and each subsequent year through 2021 of the applicable discretionary spending limits for each category and an explanation of any adjustments in such limits under section 901 of this title.

#### (3) Pay-as-you-go sequestration reports

The preview reports shall set forth, for the current year and the budget year, estimates for each of the following:

(A) The amount of net deficit increase or decrease, if any, calculated under subsection 902(b) of this title.

(B) A list identifying each law enacted and sequestration implemented after November 5, 1990, included in the calculation of the amount of deficit increase or decrease and specifying the budgetary effect of each such law.

(C) The sequestration percentage or (if the required sequestration percentage is greater than the maximum allowable percentage for medicare) percentages necessary to eliminate a deficit increase under section 902(c) of this title.

**(4) Deficit sequestration reports**

The preview reports shall set forth for the budget year estimates for each of the following:

(A) The maximum deficit amount, the estimated deficit calculated under section 903(b) of this title, the excess deficit, and the margin.

(B) The amount of reductions required under section 902 of this title, the excess deficit remaining after those reductions have been made, and the amount of reductions required from defense accounts and the reductions required from non-defense accounts.

(C) The sequestration percentage necessary to achieve the required reduction in defense accounts under section 903(d) of this title.

(D) The reductions required under sections 903(e)(1) and 903(e)(2) of this title.

(E) The sequestration percentage necessary to achieve the required reduction in non-defense accounts under section 903(e)(3) of this title.

The CBO report need not set forth the items other than the maximum deficit amount for fiscal year 1992, 1993, or any fiscal year for which the President notifies the House of Representatives and the Senate that he will adjust the maximum deficit amount under the option under section 903(g)(1)(B) of this title.

**(5) Explanation of differences**

The OMB reports shall explain the differences between OMB and CBO estimates for each item set forth in this subsection.

**(d) Notification regarding military personnel**

On or before the date specified in subsection (a) of this section, the President shall notify the Congress of the manner in which he intends to exercise flexibility with respect to military personnel accounts under section 905(f) of this title.

**(e) Sequestration update reports**

On the dates specified in subsection (a) of this section, OMB and CBO shall issue a sequestration update report, reflecting laws enacted through those dates, containing all of the information required in the sequestration preview reports. This report shall also contain a preview estimate of the adjustment for disaster funding for the upcoming fiscal year.

**(f) Final sequestration reports****(1) Reporting requirement**

On the dates specified in subsection (a) of this section, OMB and CBO shall issue a final sequestration report, updated to reflect laws enacted through those dates.

**(2) Discretionary sequestration reports**

The final reports shall set forth estimates for each of the following:

(A) For the current year and each subsequent year through 2021 the applicable discretionary spending limits for each category and an explanation of any adjustments in such limits under section 901 of this title, including a final estimate of the adjustment for disaster funding.

(B) For the current year and the budget year the estimated new budget authority

and outlays for each category and the breach, if any, in each category.

(C) For each category for which a sequestration is required, the sequestration percentages necessary to achieve the required reduction.

(D) For the budget year, for each account to be sequestered, estimates of the baseline level of sequestrable budgetary resources and resulting outlays and the amount of budgetary resources to be sequestered and resulting outlay reductions.

**(3) Pay-as-you-go and deficit sequestration reports**

The final reports shall contain all the information required in the pay-as-you-go and deficit sequestration preview reports. In addition, these reports shall contain, for the budget year, for each account to be sequestered, estimates of the baseline level of sequestrable budgetary resources and resulting outlays and the amount of budgetary resources to be sequestered and resulting outlay reductions. The reports shall also contain estimates of the effects on outlays of the sequestration in each outyear for direct spending programs.

**(4) Explanation of differences**

The OMB report shall explain any differences between OMB and CBO estimates of the amount of any net deficit change calculated under subsection<sup>1</sup> 902(b) of this title, any excess deficit, any breach, and any required sequestration percentage. The OMB report shall also explain differences in the amount of sequesterable<sup>2</sup> resources for any budget account to be reduced if such difference is greater than \$5,000,000.

**(5) Presidential order**

On the date specified in subsection (a) of this section, if in its final sequestration report OMB estimates that any sequestration is required, the President shall issue an order fully implementing without change all sequestrations required by the OMB calculations set forth in that report. This order shall be effective on issuance.

**(g) Within-session sequestration reports and order**

If an appropriation for a fiscal year in progress is enacted (after Congress adjourns to end the session for that budget year and before July 1 of that fiscal year) that causes a breach, 10 days later CBO shall issue a report containing the information required in paragraph (f)(2). Fifteen days after enactment, OMB shall issue a report containing the information required in paragraphs (f)(2) and (f)(4). On the same day as the OMB report, the President shall issue an order fully implementing without change all sequestrations required by the OMB calculations set forth in that report. This order shall be effective on issuance.

**(h) GAO compliance report**

Upon request of the Committee on the Budget of the House of Representatives or the Senate,

<sup>1</sup> So in original. Probably should be "section".

<sup>2</sup> So in original. Probably should be "sequesterable".

the Comptroller General shall submit to the Congress and the President a report on—

(1) the extent to which each order issued by the President under this section complies with all of the requirements contained in this subchapter, either certifying that the order fully and accurately complies with such requirements or indicating the respects in which it does not; and

(2) the extent to which each report issued by OMB or CBO under this section complies with all of the requirements contained in this subchapter, either certifying that the report fully and accurately complies with such requirements or indicating the respects in which it does not.

**(i) Low-growth report**

At any time, CBO shall notify the Congress if—

(1) during the period consisting of the quarter during which such notification is given, the quarter preceding such notification, and the 4 quarters following such notification, CBO or OMB has determined that real economic growth is projected or estimated to be less than zero with respect to each of any 2 consecutive quarters within such period; or

(2) the most recent of the Department of Commerce's advance preliminary or final reports of actual real economic growth indicate that the rate of real economic growth for each of the most recently reported quarter and the immediately preceding quarter is less than one percent.

**(j) Economic and technical assumptions**

In all reports required by this section, OMB shall use the same economic and technical assumptions as used in the most recent budget submitted by the President under section 1105(a) of title 31.

(Pub. L. 99-177, title II, §254, Dec. 12, 1985, 99 Stat. 1078; Pub. L. 100-119, title I, §§102(b)(1), 106(e)(2), Sept. 29, 1987, 101 Stat. 773, 781; Pub. L. 101-508, title XIII, §13101(a), Nov. 5, 1990, 104 Stat. 1388-586; Pub. L. 103-66, title XIV, §§14002(c)(2), 14003(b), Aug. 10, 1993, 107 Stat. 684, 685; Pub. L. 103-322, title XXXI, §310001(g)(2), Sept. 13, 1994, 108 Stat. 2105; Pub. L. 104-316, title I, §102(d), Oct. 19, 1996, 110 Stat. 3828; Pub. L. 105-33, title X, §10206, Aug. 5, 1997, 111 Stat. 704; Pub. L. 112-25, title I, §103, Aug. 2, 2011, 125 Stat. 246.)

**CODIFICATION**

November 5, 1990, referred to in subsec. (c)(3)(B), was in the original “the date of enactment of this section”, which was translated as meaning the date of enactment of Pub. L. 101-508, which amended this section generally, to reflect the probable intent of Congress.

**AMENDMENTS**

2011—Subsec. (c)(2). Pub. L. 112-25, §103(1), substituted “2021” for “2002”.

Subsec. (e). Pub. L. 112-25, §103(2), added “This report shall also contain a preview estimate of the adjustment for disaster funding for the upcoming fiscal year.” at end.

Subsec. (f)(2)(A). Pub. L. 112-25, §103(3), substituted “2021” for “2002” and inserted “, including a final estimate of the adjustment for disaster funding” before period at end.

1997—Subsec. (c). Pub. L. 105-33, §10206(1), (2), redesignated subsec. (d) as (c), substituted “2002” for “1998” in par. (2), and struck out heading and text of former subsec. (c). Text read as follows: “With respect to budget year 1994 or 1995, on the date specified in subsection (a) of this section the President shall notify the House of Representatives and the Senate of his decision regarding the optional adjustment of the maximum deficit amount (as allowed under section 903(g)(1)(B) of this title).”

Subsec. (d). Pub. L. 105-33, §10206(1), (3), redesignated subsec. (e) as (d) and substituted “section 905(f)” for “section 905(h)”. Former subsec. (d) redesignated (c).

Subsec. (e). Pub. L. 105-33, §10206(1), redesignated subsec. (f) as (e). Former subsec. (e) redesignated (d).

Subsec. (f). Pub. L. 105-33, §10206(1), redesignated subsec. (g) as (f). Former subsec. (f) redesignated (e).

Subsec. (f)(2)(A). Pub. L. 105-33, §10206(4)(A), substituted “2002” for “1998”.

Subsec. (f)(3). Pub. L. 105-33, §10206(4)(B), struck out “through 1998” after “each outyear”.

Subsec. (f)(4) to (6). Pub. L. 105-33, §10206(4)(C), redesignated pars. (5) and (6) as (4) and (5), respectively, and struck out heading and text of former par. (4). Text read as follows: “The final reports shall set forth for the budget year estimates for each of the following:

“(A) The amount of budget authority appropriated from the Violent Crime Reduction Trust Fund and outlays resulting from those appropriations.

“(B) The sequestration percentage and reductions, if any, required under section 901a of this title.”

Subsec. (g). Pub. L. 105-33, §10206(1), (5), redesignated subsec. (h) as (g) and substituted “paragraph (f)(2)” for “paragraph (g)(2)” and “paragraphs (f)(2) and (f)(4)” for “paragraphs (g)(2) and (g)(4)”. Former subsec. (g) redesignated (f).

Subsecs. (h) to (k). Pub. L. 105-33, §10206(1), redesignated subsecs. (i) to (k) as (h) to (j), respectively. Former subsec. (h) redesignated (g).

1996—Subsec. (a). Pub. L. 104-316, §102(d)(1), struck out item at end of timetable relating to GAO compliance report.

Subsec. (i). Pub. L. 104-316, §102(d)(2), in introductory provisions substituted “Upon request of the Committee on the Budget of the House of Representatives or the Senate” for “On the date specified in subsection (a) of this section”.

1994—Subsec. (g)(4) to (6). Pub. L. 103-322 added par. (4) and redesignated former pars. (4) and (5) as (5) and (6), respectively.

1993—Subsecs. (d)(2), (g)(2)(A), (3). Pub. L. 103-66 substituted “1998” for “1995”.

1990—Pub. L. 101-508 amended section generally, substituting provisions setting out timetable and requisite content of reports and orders developed as part of sequestration process for former provisions relating to special Congressional procedures in the event of recession, Congressional responses to Presidential orders, and treatment of certain resolutions as reconciliation bills.

1987—Subsec. (b)(1)(A). Pub. L. 100-119, §102(b)(1), substituted “the Director of OMB” for “the Comptroller General”.

Subsec. (b)(1)(E). Pub. L. 100-119, §106(e)(2), inserted provisions relating to maximum deficit amount for fiscal year 1988 or 1989.

**CONGRESSIONAL BUDGET OFFICE EXCEPTED FROM CERTAIN REQUIREMENTS**

Subsections (c), (f)(3), and (i) of this section inapplicable to the Congressional Budget Office, see section 104(b) of Pub. L. 112-25, set out as a note under section 902 of this title.

**FISCAL YEAR DEFICIT CONTROL MEASURES**

1991—Pub. L. 102-27, title IV, §401(b), Apr. 10, 1991, 105 Stat. 154, provided that: “Upon the enactment of this Act [Apr. 10, 1991], the order issued by the President on November 9, 1990 [set out below], pursuant to sections

251 and 254 of the Balanced Budget and Emergency Deficit Control Act of 1985, as amended, [2 U.S.C. 901, 904] is hereby rescinded. Any action taken to implement this order shall be reversed, and any sequesterable resource that has been reduced or sequestered by such order is hereby restored, revived, or released and shall be available to the same extent and for the same purpose as if the order had not been issued."

Section 13401 of Pub. L. 101-508 provided that:

"(a) ORDER RESCINDED.—Upon the enactment of this Act [Nov. 5, 1990], the orders issued by the President on August 25, 1990, and October 15, 1990 [set out below], pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] are hereby rescinded.

"(b) AMOUNTS RESTORED.—Any action taken to implement the orders referred to in subsection (a) shall be reversed, and any sequesterable resource that has been reduced or sequestered by such orders is hereby restored, revived, or released and shall be available to the same extent and for the same purpose as if the orders had not been issued.

"(c) FURLOUGHED EMPLOYEES.—(1) Federal employees furloughed as a result of the lapse in appropriations from midnight October 5, 1990, until the enactment of House Joint Resolution 666 [Pub. L. 101-412, which was approved Oct. 9, 1990] shall be compensated at their standard rate of compensation for the period during which there was a lapse in appropriations.

"(2) All obligations incurred in anticipation of the appropriations made and authority granted by House Joint Resolution 666 for the purposes of maintaining the essential level of activity to protect life and property and bringing about orderly termination of government functions are hereby ratified and approved if otherwise in accord with the provisions of that Act [Pub. L. 101-412, Oct. 9, 1990, 104 Stat. 894]."

Pub. L. 101-467, § 105, Oct. 28, 1990, 104 Stat. 1087, provided that:

"(a) Any order on sequestration for fiscal year 1991 issued before, on, or after the date of enactment of this joint resolution [Oct. 28, 1990] pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is suspended and no action shall be taken to implement any such order.

"(b) Subsection (a) shall cease to be effective on the date set forth in section 101(b)(B) [Nov. 5, 1990]."

Pub. L. 101-461, § 113, Oct. 25, 1990, 104 Stat. 1078, provided that:

"(a) Any order on sequestration for fiscal year 1991 issued before, on, or after the date of enactment of this joint resolution [Oct. 25, 1990] pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is suspended and no action shall be taken to implement any such order.

"(b) Subsection (a) shall cease to be effective on the date set forth in section 108(c) [Oct. 27, 1990]."

Pub. L. 101-444, § 113, Oct. 19, 1990, 104 Stat. 1033, provided that:

"(a) Any order on sequestration for fiscal year 1991 issued before, on, or after the date of enactment of this joint resolution [Oct. 19, 1990] pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is suspended and no action shall be taken to implement any such order.

"(b) Subsection (a) shall cease to be effective on the date set forth in section 108(c) [Oct. 24, 1990]."

Pub. L. 101-412, § 113, Oct. 9, 1990, 104 Stat. 897, provided that:

"(a) Any order on sequestration for fiscal year 1991 issued before, on, or after the date of enactment of this joint resolution [Oct. 9, 1990] pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is suspended and no action shall be taken to implement any such order.

"(b) Subsection (a) shall cease to be effective on the date set forth in section 108(c) [Oct. 19, 1990]."

Pub. L. 101-403, title I, § 113, Oct. 1, 1990, 104 Stat. 870, provided that:

"(a) Any order on sequestration for fiscal year 1991 issued before, on, or after the date of enactment of this

joint resolution [Oct. 1, 1990] pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is suspended and no action shall be taken to implement any such order.

"(b) Subsection (a) shall cease to be effective on the date set forth in section 108(c) [Oct. 5, 1990]."

Final Order of the President of the United States, Nov. 9, 1990, 26 Weekly Compilation of Presidential Documents 1797, Nov. 12, 1990, provided:

By the authority vested in me as President by the statutes of the United States of America, including section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) [2 U.S.C. 904], as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) and Title XIII of the Omnibus Reconciliation Act of 1990 (Public Law 101-508) (hereafter referred to as "the Act"), I hereby order that the following actions be taken immediately to implement the sequestrations and reductions determined by the Director of the Office of Management and Budget as set forth in his report dated November 9, 1990, under sections 251 and 254 of the Act [2 U.S.C. 901, 904]:

(1) Budgetary resources for each non-exempt account within the international category of discretionary spending shall be reduced as specified by the Director of the Office of Management and Budget in his report of November 9, 1990.

(2) Pursuant to sections 250(c)(6) and 251 [2 U.S.C. 900(c)(6), 901], budgetary resources subject to sequestration shall be new budget authority; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; and obligation limitations.

(3) For accounts making commitments for guaranteed loans as authorized by substantive law, the head of each Department or agency is directed to reduce the level of such commitments or obligations to the extent necessary to conform to the limitations established by the Act [Pub. L. 99-177, title II, see Short Title note set out under 2 U.S.C. 900] and specified by the Director of the Office of Management and Budget in his report of November 9, 1990.

All sequestrations shall be made in strict accordance with the specifications of the November 9th report of the Director of the Office of Management and Budget and the requirements of sections 251 and 254.

GEORGE BUSH.

Final Order of the President of the United States, Oct. 15, 1990, 55 F.R. 41977, provided:

By the authority vested in me as President by the statutes of the United States of America, including section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) [2 U.S.C. 902], as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) (hereafter referred to as "the Act"), I hereby order that the following actions shall be taken to implement the sequestrations and reductions determined by the Director of the Office of Management and Budget as set forth in his report dated October 15, 1990, under section 251 of the Act [2 U.S.C. 901]:

(1) Each automatic spending increase that would, but for the provisions of the Act, take effect during fiscal year 1991 is permanently sequestered or reduced as provided in section 252.

(2) The following are sequestered as provided in section 252: new budget authority; unobligated balances; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974, as amended [2 U.S.C. 651(c)(2)]; and obligation limitations.

(3) For accounts making payments otherwise required by substantive law, the head of each Department or agency is directed to modify the calculation of each such payment to the extent necessary to reduce the estimate of total required payments for the fiscal year by the amount specified by the Director of the Office of

Management and Budget in his report of October 15, 1990.

(4) For accounts making commitments for guaranteed loans as authorized by substantive law, the head of each Department or agency is directed to reduce the level of such commitments or obligations to the extent necessary to conform to the limitations established by the Act and specified by the Director of the Office of Management and Budget in his report of October 15, 1990.

All reductions and sequestrations shall be made in strict accordance with the specifications of the October 15th report of the Director of the Office of Management and Budget and the requirements of section 252(b).

This order supersedes the Initial Order issued on August 25, 1990 [see above].

This order shall be published in the Federal Register.

GEORGE BUSH.

Initial Order of the President of the United States, Aug. 25, 1990, 55 F.R. 35133, which provided emergency deficit control measures for fiscal year 1991, was superseded by Final Order of the President, Oct. 15, 1990, 55 F.R. 41977, set out above.

1990—Pub. L. 101-239, title VI, § 6001, Dec. 19, 1989, 103 Stat. 2139, provided that: “Notwithstanding any other provision of law (including section 11002 [set out below] or any other provision of this Act, other than section 6201 [set out below]), the reductions in the amount of payments required under title XVIII of the Social Security Act [42 U.S.C. 1395 et seq.] made by the final sequester order issued by the President on October 16, 1989 [set out below], pursuant to section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902(b)] shall continue to be effective (as provided by sections 252(a)(4)(B) and 256(d)(2) of such Act [2 U.S.C. 902(a)(4)(B), 906(d)(2)]) through December 31, 1989, with respect to payments for items and services under part A of such title [42 U.S.C. 1395c et seq.] (including payments under section 1886 of such title [42 U.S.C. 1395ww] attributable or allocated to such part). Each such payment made for items and services provided during fiscal year 1990 after such date shall be increased by 1.42 percent above what it would otherwise be under this Act.”

Pub. L. 101-239, title VI, § 6101, Dec. 19, 1989, 103 Stat. 2168, provided that: “Notwithstanding any other provision of law (including any other provision of this Act, other than section 6201 [set out below]), the reductions in the amount of payments required under title XVIII of the Social Security Act [42 U.S.C. 1395 et seq.] made by the final sequester order issued by the President on October 16, 1989, pursuant to section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902(b)] shall continue to be effective (as provided by sections 252(a)(4)(B) and 256(d)(2) of such Act [2 U.S.C. 902(a)(4)(B), 906(d)(2)]) through March 31, 1990, with respect to payments for items and services under part B of such title [42 U.S.C. 1395j et seq.]”

Pub. L. 101-239, title VI, § 6201, Dec. 19, 1989, 103 Stat. 2225, provided that: “Notwithstanding any other provision of law (including section 11002 [set out below] or any other provision of this Act), the reductions in the amount of payments required under title XVIII of the Social Security Act [42 U.S.C. 1395 et seq.] made by the final sequester order issued by the President on October 16, 1989 [set out below], pursuant to section 252(b) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902(b)] shall continue to be effective (as provided by sections 252(a)(4)(B) and 256(d)(2) of such Act [2 U.S.C. 902(a)(4)(B), 906(d)(2)]) through December 31, 1989, with respect to payments under section 1833(a)(1)(A) or 1876 of the Social Security Act [42 U.S.C. 1395f(a)(1)(A), 1395mm], section 402 of the Social Security Amendments of 1967 [section 402 of Pub. L. 90-248, enacting 42 U.S.C. 1395b-1, and amending 42 U.S.C. 1395f], or section 222 of the Social Security Amendments of 1972 [section 222 of Pub. L. 92-603, amending 42 U.S.C. 1395b-1 and enacting provisions set out as a note under 42 U.S.C. 1395b-1]. Each such pay-

ment made during fiscal year 1990 after such date shall be increased by 1.42 percent above what it would otherwise be under this Act.”

Pub. L. 101-239, title XI, § 11002, Dec. 19, 1989, 103 Stat. 2490, provided that:

“(a) ORDER RESCINDED.—(1) Upon the issuance of a new final order by the President under subsection (b)(4) [set out below], the order issued by the President on October 16, 1989 [set out below], pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is rescinded.

“(2) Except as otherwise provided in sections 6001, 6101, and 6201 [set out above], and subject to subsection (b), any action taken to implement the order issued by the President on October 16, 1989, shall be reversed, and any sequesterable budgetary resource that has been reduced or sequestered by such order is restored, revived, or released and shall be available to the same extent and for the same purposes as if an order had not been issued.

“(3) For purposes of section[s] 702(d) and 1101(c) of the Ethics Reform Act of 1989 [Pub. L. 101-194, 5 U.S.C. 5305 note, 2 U.S.C. 31-1 note], the order issued by the President on October 16, 1989, pursuant to section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902] is deemed to be rescinded on January 31, 1990.

“(b) ADJUSTED REDUCTION.—

“(1) Before the close of the fifteenth calendar day beginning after the date of enactment of this Act [Dec. 19, 1989], the Director of OMB shall issue a revised report using the exact budget baseline set forth in the report of October 16, 1989 [set out below], and following the requirements, specifications, definitions, and calculations required by the Balanced Budget and Emergency Deficit Control Act of 1985 [Pub. L. 99-177, title II, see Short Title note set out under 2 U.S.C. 901] for the final report issued under section 251(c)(2) [former 2 U.S.C. 901(c)(2)] for fiscal year 1990, except that the aggregate outlay reduction to be achieved shall be an amount equal to \$16.1 billion multiplied by 130 divided by 365. Calculations made to carry out the preceding sentence shall take into account the reductions and cancellations achieved by paragraphs (2) and (3) and shall not be affected by subsection (d).

“(2) Notwithstanding any provision of law other than this paragraph, the reductions and cancellations in the student loan programs described in section 256(c) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 906(c)] achieved by the order issued by the President on October 16, 1989, shall remain in effect through December 31, 1989, and no reductions or cancellations in such programs shall be made by the order issued under paragraph (4).

“(3) Notwithstanding any provision of law other than this paragraph, any automatic spending increase suspended or cancelled by the order issued by the President on October 16, 1989, shall be paid at a rate that is 130/365ths less than the rate that would have been paid under the laws providing for such automatic spending increase.

“(4) On the date that the Director submits a revised report to the President under paragraph (1) for fiscal year 1990, the President shall issue a new final order to make all of the reductions and cancellations specified in such report in conformity with section 252(a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 902(a)(2)]. Such order shall be deemed to have become effective on October 16, 1989.

“(c) COMPLIANCE REPORT BY COMPTROLLER GENERAL.—Before the close of the thirtieth day beginning after the date the President issues a new final order under subsection (b)(4), the Comptroller General shall submit to the Congress and the President a compliance report setting forth the information required under section 253 of the Balanced Budget and Emergency Deficit Control Act of 1985 [2 U.S.C. 903] with respect to such order.

“(d) NO DOUBLE REDUCTION IN MEDICARE.—With respect to items and services described in section 6001,

6101, or 6201 [set out above] for periods for which reductions are made pursuant to the respective sections, no reduction shall be made under subsection (b)."

New Final Order of the President of the United States, Dec. 27, 1989, 54 F.R. 53469, provided:

By the authority vested in me as President by the statutes of the United States of America, including section 252 of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177) [2 U.S.C. 902], as amended by the Balanced Budget and Emergency Deficit Control Reaffirmation Act of 1987 (Public Law 100-119) (hereafter referred to as "the Act"), and section 11002 of the Omnibus [Budget] Reconciliation Act of 1989 (Public Law 101-239) ("OBRA") [set out above], I hereby order that the following actions be taken to implement the sequestrations and reductions determined by the Director of the Office of Management and Budget as set forth in his report dated December 27, 1989, under section 251 of the Act [2 U.S.C. 901] and section 11002 of the OBRA:

(1) Each automatic spending increase that would, but for the provisions of the Act, take effect during fiscal year 1990 is permanently sequestered or reduced as provided in section 252 of the Act and section 11002 of OBRA.

(2) The following are sequestered as provided in section 252 of the Act and section 11002 of OBRA: new budget authority; unobligated balances; new loan guarantee commitments or limitations; new direct loan obligations, commitments, or limitations; spending authority as defined in section 401(c)(2) of the Congressional Budget Act of 1974, as amended [2 U.S.C. 651(c)(2)]; and obligation limitations.

(3) For accounts making payments otherwise required by substantive law, the head of each department or agency is directed to modify the calculation of each such payment to the extent necessary to reduce the estimate of total required payments for the fiscal year by the amount specified by the Director of the Office of Management and Budget in his report of December 27, 1989.

(4) For accounts making commitments for guaranteed loans or obligations for direct loans as authorized by substantive law, the head of each department or agency is directed to reduce the level of such commitments or obligations to the extent necessary to conform to the limitations established by the Act and by OBRA and specified by the Director of the Office of Management and Budget in his report of December 27, 1989.

All reductions and sequestrations shall be made in strict accordance with the specifications of the December 27th report of the Director of the Office of Management and Budget and the requirements of section 252(b) of the Act and section 11002 of OBRA.

This order shall be deemed to have become effective on October 16, 1989, as provided in section 11002 of OBRA.

This order shall be published [in the] Federal Register.

GEORGE BUSH.

Final Order of the President of the United States, Oct. 16, 1989, 54 F.R. 42795, which provided emergency deficit control measures for fiscal year 1990, was rescinded by section 11002(a) of Pub. L. 101-239, set out above, upon issuance of New Final Order of the President of the United States, Dec. 27, 1989, 54 F.R. 53469, set out above.

Initial Order of the President of the United States, Aug. 25, 1989, 54 F.R. 35627, which provided emergency deficit control measures for fiscal year 1990, was superseded by Final Order of the President, Oct. 16, 1989, 54 F.R. 42795.

1989—Final Order of the President of the United States, Oct. 15, 1988, 53 F.R. 40696.

Initial Order of the President of the United States, Aug. 25, 1988, 53 F.R. 32881.

1988—Pub. L. 100-203, title IV, §§4001, 4041(b), 4061, title VIII, §8002, Dec. 22, 1987, 101 Stat. 1330-42, 1330-84, 1330-100, 1330-281.

Pub. L. 100-202, §1, Dec. 22, 1987, 101 Stat. 1329.

Order of the President of the United States, Nov. 20, 1987, 52 F.R. 44960.

Order of the President of the United States, Oct. 20, 1987, 52 F.R. 39205.

1986—Pub. L. 99-366, July 31, 1986, 100 Stat. 773.

Pub. L. 99-349, title II, §202, July 2, 1986, 100 Stat. 748.

Pub. L. 99-255, Mar. 7, 1986, 100 Stat. 39, as amended by Pub. L. 99-322, §1, May 23, 1986, 100 Stat. 494.

Order of the President of the United States, Feb. 1, 1986, 51 F.R. 4291.

## § 905. Exempt programs and activities

### (a) Social security benefits and tier I railroad retirement benefits

Benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act (42 U.S.C. 401 et seq.), and benefits payable under section<sup>1</sup> 231b(a), 231b(f)(2), 231c(a), and 231c(f) of title 45, shall be exempt from reduction under any order issued under this subchapter.

### (b) Veterans programs

The following programs shall be exempt from reduction under any order issued under this subchapter:

All programs administered by the Department of Veterans Affairs.

Special benefits for certain World War II veterans (28-0401-0-1-701).

### (c) Net interest

No reduction of payments for net interest (all of major functional category 900) shall be made under any order issued under this subchapter.

### (d) Refundable income tax credits

Payments to individuals made pursuant to provisions of title 26 establishing refundable tax credits shall be exempt from reduction under any order issued under this subchapter.

### (e) Non-defense unobligated balances

Unobligated balances of budget authority carried over from prior fiscal years, except balances in the defense category, shall be exempt from reduction under any order issued under this subchapter.

### (f) Optional exemption of military personnel

#### (1) In general

The President may, with respect to any military personnel account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

#### (2) Limitation

The President may not use the authority provided by paragraph (1) unless the President notifies the Congress of the manner in which such authority will be exercised on or before the date specified in section 904(a) of this title for the budget year.

### (g) Other programs and activities

(1)(A) The following budget accounts and activities shall be exempt from reduction under any order issued under this subchapter:

Activities resulting from private donations, bequests, or voluntary contributions to the Government.

<sup>1</sup> So in original. Probably should be "sections".



Activities financed by voluntary payments to the Government for goods or services to be provided for such payments.

Administration of Territories, Northern Mariana Islands Covenant grants (14-0412-0-1-808).

Advances to the Unemployment Trust Fund and Other Funds (16-0327-0-1-600).

Black Lung Disability Trust Fund Refinancing (16-0329-0-1-601).

Bonneville Power Administration Fund and borrowing authority established pursuant to section 13 of Public Law 93-454 (1974), as amended [16 U.S.C. 838k] (89-4045-0-3-271).

Claims, Judgments, and Relief Acts (20-1895-0-1-808).

Compact of Free Association (14-0415-0-1-808).

Compensation of the President (11-0209-01-1-802).

Comptroller of the Currency, Assessment Funds (20-8413-0-8-373).

Continuing Fund, Southeastern Power Administration (89-5653-0-2-271).

Continuing Fund, Southwestern Power Administration (89-5649-0-2-271).

Dual Benefits Payments Account (60-0111-0-1-601).

Emergency Fund, Western Area Power Administration (89-5069-0-2-271).

Exchange Stabilization Fund (20-4444-0-3-155).

Farm Credit Administration Operating Expenses Fund (78-4131-0-3-351).

Farm Credit System Insurance Corporation, Farm Credit Insurance Fund (78-4171-0-3-351).

Federal Deposit Insurance Corporation, Deposit Insurance Fund (51-4596-0-4-373).

Federal Deposit Insurance Corporation, FSLIC Resolution Fund (51-4065-0-3-373).

Federal Deposit Insurance Corporation, Non-interest Bearing Transaction Account Guarantee (51-4458-0-3-373).

Federal Deposit Insurance Corporation, Senior Unsecured Debt Guarantee (51-4457-0-3-373).

Federal Home Loan Mortgage Corporation (Freddie Mac).

Federal Housing Finance Agency, Administrative Expenses (95-5532-0-2-371).

Federal National Mortgage Corporation (Fannie Mae).

Federal Payment to the District of Columbia Judicial Retirement and Survivors Annuity Fund (20-1713-0-1-752).

Federal Payment to the District of Columbia Pension Fund (20-1714-0-1-601).

Federal Payments to the Railroad Retirement Accounts (60-0113-0-1-601).

Federal Reserve Bank Reimbursement Fund (20-1884-0-1-803).

Financial Agent Services (20-1802-0-1-803).

Foreign Military Sales Trust Fund (11-8242-0-7-155).

Hazardous Waste Management, Conservation Reserve Program (12-4336-0-3-999).

Host Nation Support Fund for Relocation (97-8337-0-7-051).

Internal Revenue Collections for Puerto Rico (20-5737-0-2-806).

Intragovernmental funds, including those from which the outlays are derived primarily

from resources paid in from other government accounts, except to the extent such funds are augmented by direct appropriations for the fiscal year during which an order is in effect.

Medical Facilities Guarantee and Loan Fund (75-9931-0-3-551).

National Credit Union Administration, Central Liquidity Facility (25-4470-0-3-373).

National Credit Union Administration, Corporate Credit Union Share Guarantee Program (25-4476-0-3-376).

National Credit Union Administration, Credit Union Homeowners Affordability Relief Program (25-4473-0-3-371).

National Credit Union Administration, Credit Union Share Insurance Fund (25-4468-0-3-373).

National Credit Union Administration, Credit Union System Investment Program (25-4474-0-3-376).

National Credit Union Administration, Operating fund (25-4056-0-3-373).

National Credit Union Administration, Share Insurance Fund Corporate Debt Guarantee Program (25-4469-0-3-376).

National Credit Union Administration, U.S. Central Federal Credit Union Capital Program (25-4475-0-3-376).

Office of Thrift Supervision (20-4108-0-3-373).

Panama Canal Commission Compensation Fund (16-5155-0-2-602).

Payment of Vietnam and USS Pueblo prisoner-of-war claims within the Salaries and Expenses, Foreign Claims Settlement account (15-0100-0-1-153).

Payment to Civil Service Retirement and Disability Fund (24-0200-0-1-805).

Payment to Department of Defense Medicare-Eligible Retiree Health Care Fund (97-0850-0-1-054).

Payment to Judiciary Trust Funds (10-0941-0-1-752).

Payment to Military Retirement Fund (97-0040-0-1-054).

Payment to the Foreign Service Retirement and Disability Fund (19-0540-0-1-153).

Payments to Copyright Owners (03-5175-0-2-376).

Payments to Health Care Trust Funds (75-0580-0-1-571).

Payment to Radiation Exposure Compensation Trust Fund (15-0333-0-1-054).

Payments to Social Security Trust Funds (28-0404-0-1-651).

Payments to the United States Territories, Fiscal Assistance (14-0418-0-1-806).

Payments to trust funds from excise taxes or other receipts properly creditable to such trust funds.

Payments to widows and heirs of deceased Members of Congress (00-0215-0-1-801).

Postal Service Fund (18-4020-0-3-372).

Radiation Exposure Compensation Trust Fund (15-8116-0-1-054).

Reimbursement to Federal Reserve Banks (20-0562-0-1-803).

Salaries of Article III judges.

Soldiers and Airmen's Home, payment of claims (84-8930-0-7-705).

Tennessee Valley Authority Fund, except nonpower programs and activities (64-4110-0-3-999).

Tribal and Indian trust accounts within the Department of the Interior which fund prior legal obligations of the Government or which are established pursuant to Acts of Congress regarding Federal management of tribal real property or other fiduciary responsibilities, including but not limited to Tribal Special Fund (14-5265-0-2-452), Tribal Trust Fund (14-8030-0-7-452), White Earth Settlement (14-2204-0-1-452), and Indian Water Rights and Habitat Acquisition (14-5505-0-2-303).

United Mine Workers of America 1992 Benefit Plan (95-8260-0-7-551).

United Mine Workers of America 1993 Benefit Plan (95-8535-0-7-551).

United Mine Workers of America Combined Benefit Fund (95-8295-0-7-551).

United States Enrichment Corporation Fund (95-4054-0-3-271).

Universal Service Fund (27-5183-0-2-376).

Vaccine Injury Compensation (75-0320-0-1-551).

Vaccine Injury Compensation Program Trust Fund (20-8175-0-7-551).

(B) The following Federal retirement and disability accounts and activities shall be exempt from reduction under any order issued under this subchapter:

Black Lung Disability Trust Fund (20-8144-0-7-601).

Central Intelligence Agency Retirement and Disability System Fund (56-3400-0-1-054).

Civil Service Retirement and Disability Fund (24-8135-0-7-602).

Comptrollers general retirement system (05-0107-0-1-801).

Contributions to U.S. Park Police annuity benefits, Other Permanent Appropriations (14-9924-0-2-303).

Court of Appeals for Veterans Claims Retirement Fund (95-8290-0-7-705).

Department of Defense Medicare-Eligible Retiree Health Care Fund (97-5472-0-2-551).

District of Columbia Federal Pension Fund (20-5511-0-2-601).

District of Columbia Judicial Retirement and Survivors Annuity Fund (20-8212-0-7-602).

Energy Employees Occupational Illness Compensation Fund (16-1523-0-1-053).

Foreign National Employees Separation Pay (97-8165-0-7-051).

Foreign Service National Defined Contributions Retirement Fund (19-5497-0-2-602).

Foreign Service National Separation Liability Trust Fund (19-8340-0-7-602).

Foreign Service Retirement and Disability Fund (19-8186-0-7-602).

Government Payment for Annuitants, Employees Health Benefits (24-0206-0-1-551).

Government Payment for Annuitants, Employee Life Insurance (24-0500-0-1-602).

Judicial Officers' Retirement Fund (10-8122-0-7-602).

Judicial Survivors' Annuities Fund (10-8110-0-7-602).

Military Retirement Fund (97-8097-0-7-602).

National Railroad Retirement Investment Trust (60-8118-0-7-601).

National Oceanic and Atmospheric Administration retirement (13-1450-0-1-306).

Pensions for former Presidents (47-0105-0-1-802).

Postal Service Retiree Health Benefits Fund (24-5391-0-2-551).

Public Safety Officer Benefits (15-0403-0-1-754).

Rail Industry Pension Fund (60-8011-0-7-601).

Retired Pay, Coast Guard (70-0602-0-1-403).

Retirement Pay and Medical Benefits for Commissioned Officers, Public Health Service (75-0379-0-1-551).

Special Benefits for Disabled Coal Miners (16-0169-0-1-601).

Special Benefits, Federal Employees' Compensation Act (16-1521-0-1-600).

Special Workers Compensation Expenses (16-9971-0-7-601).

Tax Court Judges Survivors Annuity Fund (23-8115-0-7-602).

United States Court of Federal Claims Judges' Retirement Fund (10-8124-0-7-602).

United States Secret Service, DC Annuity (70-0400-0-1-751).

Voluntary Separation Incentive Fund (97-8335-0-7-051).

(2) Prior legal obligations of the Government in the following budget accounts and activities shall be exempt from any order issued under this subchapter:

Biomass Energy Development (20-0114-0-1-271).

Check Forgery Insurance Fund (20-4109-0-3-803).

Credit liquidating accounts.

Credit reestimates.

Employees Life Insurance Fund (24-8424-0-8-602).

Federal Aviation Insurance Revolving Fund (69-4120-0-3-402).

Federal Crop Insurance Corporation Fund (12-4085-0-3-351).

Federal Emergency Management Agency, National Flood Insurance Fund (58-4236-0-3-453).

Geothermal resources development fund (89-0206-0-1-271).

Low-Rent Public Housing—Loans and Other Expenses (86-4098-0-3-604).

Maritime Administration, War Risk Insurance Revolving Fund (69-4302-0-3-403).

Natural Resource Damage Assessment Fund (14-1618-0-1-302).

Overseas Private Investment Corporation, Noncredit Account (71-4184-0-3-151).

Pension Benefit Guaranty Corporation Fund (16-4204-0-3-601).

San Joaquin Restoration Fund (14-5537-0-2-301).

Servicemembers' Group Life Insurance Fund (36-4009-0-3-701).

Terrorism Insurance Program (20-0123-0-1-376).

#### (h) Low-income programs

The following programs shall be exempt from reduction under any order issued under this subchapter:

Academic Competitiveness/Smart Grant Program (91-0205-0-1-502).

Child Care Entitlement to States (75-1550-0-1-609).

Child Enrollment Contingency Fund (75-5551-0-2-551).

Child Nutrition Programs (with the exception of special milk programs) (12-3539-0-1-605).

Children's Health Insurance Fund (75-0515-0-1-551).

Commodity Supplemental Food Program (12-3507-0-1-605).

Contingency Fund (75-1522-0-1-609).

Family Support Programs (75-1501-0-1-609).

Federal Pell Grants under section 1070a<sup>2</sup> of title 20.

Grants to States for Medicaid (75-0512-0-1-551).

Payments for Foster Care and Permanency (75-1545-0-1-609).

Supplemental Nutrition Assistance Program (12-3505-0-1-605).

Supplemental Security Income Program (28-0406-0-1-609).

Temporary Assistance for Needy Families (75-1552-0-1-609).

#### (i) **Economic recovery programs**

The following programs shall be exempt from reduction under any order issued under this subchapter:

GSE Preferred Stock Purchase Agreements (20-0125-0-1-371).

Office of Financial Stability (20-0128-0-1-376).

Special Inspector General for the Troubled Asset Relief Program (20-0133-0-1-376).

#### (j) <sup>3</sup> **Split treatment programs**

Each of the following programs shall be exempt from any order under this subchapter to the extent that the budgetary resources of such programs are subject to obligation limitations in appropriations bills:

Federal-Aid Highways (69-8083-0-7-401).

Highway Traffic Safety Grants (69-8020-0-7-401).

Operations and Research NHTSA and National Driver Register (69-8016-0-7-401).

Motor Carrier Safety Operations and Programs (69-8159-0-7-401).

Motor Carrier Safety Grants (69-8158-0-7-401).

Formula and Bus Grants (69-8350-0-7-401).

Grants-In-Aid for Airports (69-8106-0-7-402).

#### (j) <sup>3</sup> **Identification of programs**

For purposes of subsections (b), (g), and (h) of this section, each account is identified by the designated budget account identification code number set forth in the Budget of the United States Government 2010-Appendix, and an activity within an account is designated by the name of the activity and the identification code number of the account.

(Pub. L. 99-177, title II, §255, Dec. 12, 1985, 99 Stat. 1082; Pub. L. 99-509, title VII, §7002(a), Oct. 21, 1986, 100 Stat. 1949; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095; Pub. L. 100-86, title V, §506(a), Aug. 10, 1987, 101 Stat. 634; Pub. L. 100-119, title I, §104(a)(1), (2), (b), (c)(1), Sept. 29, 1987, 101 Stat. 775-777; Pub. L. 101-73, title VII, §743(a), (c), Aug. 9, 1989, 103 Stat. 437; Pub. L. 101-220, §8, Dec. 12, 1989, 103 Stat. 1881; Pub. L.

101-508, title XIII, §13101(c), Nov. 5, 1990, 104 Stat. 1388-589; Pub. L. 102-54, §13(a), June 13, 1991, 105 Stat. 274; Pub. L. 102-83, §5(c)(2), Aug. 6, 1991, 105 Stat. 406; Pub. L. 102-486, title IX, §902(d), Oct. 24, 1992, 106 Stat. 2944; Pub. L. 102-572, title VI, §601, Oct. 29, 1992, 106 Stat. 4514; Pub. L. 104-193, title I, §110(r)(1), Aug. 22, 1996, 110 Stat. 2175; Pub. L. 104-208, div. A, title II, §2704(d)(10), Sept. 30, 1996, 110 Stat. 3009-489; Pub. L. 105-33, title X, §10207, Aug. 5, 1997, 111 Stat. 704; Pub. L. 109-171, title II, §2102(b), Feb. 8, 2006, 120 Stat. 9; Pub. L. 111-139, title I, §11, Feb. 12, 2010, 124 Stat. 23.)

#### REFERENCES IN TEXT

The Social Security Act, referred to in subsec. (a), is act Aug. 14, 1935, ch. 531, 49 Stat. 620. Title II of the Social Security Act is classified generally to subchapter II (§401 et seq.) of Title 42, The Public Health and Welfare. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

The Federal Employees' Compensation Act, referred to in subsec. (g)(1)(B), which is act Sept. 7, 1916, ch. 458, 39 Stat. 742, was repealed and the provisions thereof reenacted as subchapter I of chapter 81 of Title 5, Government Organization and Employees, by Pub. L. 89-554, Sept. 6, 1966, 80 Stat. 378.

Section 1070a of title 20, referred to in subsec. (h), was in the original "section 401 Title IV of the Higher Education Act" and was translated as if it referred to section 401 of title IV of the Higher Education Act of 1965 to reflect the probable intent of Congress.

#### AMENDMENTS

2010—Subsecs. (a) to (d). Pub. L. 111-139, §11(b), amended subsecs. (a) to (d) generally. Prior to amendment, subsecs. (a) to (d) related to exemptions for social security benefits and tier I railroad retirement benefits, veterans programs, net interest, and earned income tax credit, respectively.

Subsecs. (g), (h). Pub. L. 111-139, §11(c), amended subsecs. (g) and (h) generally. Prior to amendment, subsecs. (g) and (h) related to exemptions for other programs and activities and low-income programs, respectively.

Subsec. (i). Pub. L. 111-139, §11(d), added subsec. (i). Former subsec. (i) redesignated (j) relating to identification of programs.

Subsec. (j). Pub. L. 111-139, §11(d), added subsec. (j) relating to split treatment programs.

Pub. L. 111-139, §11(a), redesignated subsec. (i) as (j) relating to identification of programs and substituted "2010" for "1998".

2006—Subsec. (g)(1)(A). Pub. L. 109-171 repealed Pub. L. 104-208, §2704(d)(10). See 1996 Amendment note below.

1997—Subsec. (b). Pub. L. 105-33, §10207(a), substituted "Veterans Insurance and Indemnities" for "Veterans Insurance and Indemnity", "Canteen Service Revolving Fund" for "Veterans' Canteen Service Revolving Fund", "(36-0120-0-1-701)" for "(36-0137-0-1-702)" in item relating to benefits under chapter 21 of title 38, "Compensation" for "Veterans' compensation", and "Pensions" for "Veterans' pensions" and inserted at end items relating to benefits under chapter 35 of title 38, assistance and services under chapter 31 of title 38, benefits under subchapters I, II, and III of chapter 37 of title 38, Loan Guaranty Program Account, and Direct Loan Program Account.

Subsec. (f). Pub. L. 105-33, §10207(b), amended heading and text of subsec. (f) generally. Prior to amendment, text read as follows: "Outlays for programs specified in paragraph (1) of section 907 of this title shall be subject to reduction only in accordance with the procedures established in section 901(a)(3)(C) and 906(b) of this title."

Subsec. (g)(1)(A). Pub. L. 105-33, §10207(c)(1)(KK), inserted items relating to Thrift Savings Fund, United States Enrichment Corporation (95-4054-0-3-271), Vaccine Injury Compensation, and Vaccine Injury Compensation Program Trust Fund.

<sup>2</sup> See References in Text note below.

<sup>3</sup> So in original. Two subsecs. (j) have been enacted.

Pub. L. 105-33, § 10207(c)(1)(JJ), inserted “Revolving Fund (22-4055-0-3-373)” before semicolon in item relating to the Resolution Trust Corporation.

Pub. L. 105-33, § 10207(c)(1)(II), struck out “Resolution Funding Corporation;” after item relating to postal service fund.

Pub. L. 105-33, § 10207(c)(1)(HH), substituted “806” for “852” in item relating to payments to the United States territories.

Pub. L. 105-33, § 10207(c)(1)(GG), struck out “Payments to state and local government fiscal assistance trust fund (20-2111-0-1-851);” after item relating to payments to social security trust funds.

Pub. L. 105-33, § 10207(c)(1)(FF), substituted “651” for “571” in item relating to payments to social security trust funds.

Pub. L. 105-33, § 10207(c)(1)(EE), struck out “Compact of Free Association, economic assistance pursuant to Public Law 99-658 (14-0415-0-1-806);” after item relating to payments to military retirement fund.

Pub. L. 105-33, § 10207(c)(1)(DD), substituted “571” for “572” in item relating to payments to health care trust funds.

Pub. L. 105-33, § 10207(c)(1)(CC), inserted item relating to Office of Thrift Supervision.

Pub. L. 105-33, § 10207(c)(1)(BB), substituted “Credit union share” for “credit union share” and inserted before semicolon “(25-4468-0-3-373)” in third item relating to National Credit Union Administration.

Pub. L. 105-33, § 10207(c)(1)(AA), substituted “Central” for “central” and inserted before semicolon “(25-4470-0-3-373)” in second item relating to National Credit Union Administration.

Pub. L. 105-33, § 10207(c)(1)(Z), inserted “operating fund (25-4056-0-3-373)” before semicolon in first item relating to National Credit Union Administration.

Pub. L. 105-33, § 10207(c)(1)(Y), substituted “(75-9931-0-3-550)” for “(75-4430-0-3-551)” in item relating to medical facilities guarantee and loan fund.

Pub. L. 105-33, § 10207(c)(1)(X), substituted “Panama Canal Commission, Panama Canal Revolving Fund (95-4061-0-3-403);” for “Panama Canal Commission, operating expenses (95-5190-0-2-403), and Panama Canal Commission, capital outlay (95-5190-0-2-403);”.

Pub. L. 105-33, § 10207(c)(1)(W), substituted “806” for “852” in item relating to internal revenue collections for Puerto Rico.

Pub. L. 105-33, § 10207(c)(1)(V), struck out “and insurance” after “Higher education facilities loans”.

Pub. L. 105-33, § 10207(c)(1)(U), inserted “program account” after “fund” and substituted “(75-0340-0-1-552)” for “(Health Education Assistance Loan Program) (75-4305-0-3-553)” in item relating to health professions graduate student loan insurance fund.

Pub. L. 105-33, § 10207(c)(1)(T), substituted “accounts” for “account” after “Federal payment to the railroad retirement”.

Pub. L. 105-33, § 10207(c)(1)(S), inserted “(95-4039-0-3-371)” before semicolon in item relating to Federal Housing Finance Board.

Pub. L. 105-33, § 10207(c)(1)(R), inserted “(51-4066-0-3-373)” before semicolon in third item relating to Federal Deposit Insurance Corporation.

Pub. L. 105-33, § 10207(c)(1)(Q), inserted “(51-4065-0-3-373)” before semicolon in second item relating to Federal Deposit Insurance Corporation.

Pub. L. 105-33, § 10207(c)(1)(P), inserted “(51-4064-0-3-373)” before semicolon in first item relating to Federal Deposit Insurance Corporation.

Pub. L. 105-33, § 10207(c)(1)(O), struck out “Federal Deposit Insurance Corporation;” after item relating to Farm Credit System Financial Assistance Corporation, interest payments (20-1850-0-1-351).

Pub. L. 105-33, § 10207(c)(1)(N), inserted items relating to Farm Credit Administration and Farm Credit System Financial Assistance Corporation, interest payment (20-1850-0-1-908).

Pub. L. 105-33, § 10207(c)(1)(M), struck out “Eastern Indian land claims settlement fund (14-2202-0-1-806);” after item relating to dual benefits payments account.

Pub. L. 105-33, § 10207(c)(1)(L), struck out “Director of the Office of Thrift Supervision;” after item relating to Comptroller of the Currency.

Pub. L. 105-33, § 10207(c)(1)(K), inserted “, Assessment funds (20-8413-0-8-373)” before semicolon in item relating to the Comptroller of the Currency.

Pub. L. 105-33, § 10207(c)(1)(J), substituted “806” for “852” in item relating to the Customs Service.

Pub. L. 105-33, § 10207(c)(1)(I), inserted item relating to Conservation Reserve Program.

Pub. L. 105-33, § 10207(c)(1)(H), inserted item relating to Compact of Free Association.

Pub. L. 105-33, § 10207(c)(1)(G), struck out “Coinage profit fund (20-5811-0-2-803);” after item relating to claims, judgments, and relief acts.

Pub. L. 105-33, § 10207(c)(1)(F), substituted “808” for “806” in item relating to claims, judgments, and relief acts.

Pub. L. 105-33, § 10207(c)(1)(E), struck out “Claims, defense (97-0102-0-1-051);” after second item relating to Bureau of Indian Affairs.

Pub. L. 105-33, § 10207(c)(1)(D), substituted “Miscellaneous trust funds” for “miscellaneous trust funds, tribal trust funds” in second item relating to Bureau of Indian Affairs.

Pub. L. 105-33, § 10207(c)(1)(C), inserted “Indian land and water claims settlements and” after comma in first item relating to Bureau of Indian Affairs.

Pub. L. 105-33, § 10207(c)(1)(B), struck out “Thrift Savings Fund (26-8141-0-7-602);” after item relating to administration of Territories, Northern Mariana Islands Covenant grants.

Pub. L. 105-33, § 10207(c)(1)(A), inserted item relating to activities financed by voluntary payments to Government.

Subsec. (g)(1)(B). Pub. L. 105-33, § 10207(c)(2)(E), substituted “Railroad Industry Pension Fund” for “Railroad retirement tier II”.

Pub. L. 105-33, § 10207(c)(2)(D), inserted “Special workers compensation expenses,” before “Longshoremen’s and harborworkers’ compensation benefits”.

Pub. L. 105-33, § 10207(c)(2)(C), substituted “Claims Judges’ Retirement Fund” for “Court of Federal Claims Judges’ Retirement Fund”.

Pub. L. 105-33, § 10207(c)(2)(B), substituted “Black Lung Disability Trust Fund” for “Black lung benefits”.

Pub. L. 105-33, § 10207(c)(2)(A), substituted “The following Federal retirement and disability accounts” for “The following budget accounts” in introductory provisions.

Subsec. (g)(2). Pub. L. 105-33, § 10207(c)(3)(E), struck out items “Credit union share insurance fund (25-4468-0-3-371);” and “Economic development revolving fund (13-4406-0-3-452);” after item relating to credit liquidating accounts, item “Export-Import Bank of the United States, Limitation of program activity (83-4027-0-3-155);” after item relating to energy security reserve (Synthetic Fuels Corporation), item “Federal Deposit Insurance Corporation (51-8419-0-8-371);” after item relating to Federal Crop Insurance Corporation fund, items “Federal Housing Administration fund (86-4070-0-3-371);”, “Federal ship financing fund (69-4301-0-3-403);”, and “Federal ship financing fund, fishing vessels (13-4417-0-3-376);” after item relating to Federal Emergency Management Agency National insurance development fund, items “Government National Mortgage Association, Guarantees of mortgage-backed securities (86-4238-0-3-371);” and “Health education loans (75-4307-0-3-553);” after item relating to geothermal resources development fund, item “Indian loan guarantee and insurance fund (14-4410-0-3-452);” after item relating to homeowners assistance fund, defense, and items “Railroad rehabilitation and improvement financing fund (69-4411-0-3-401);”, “Rural development insurance fund (12-4155-0-3-452);”, “Rural electric and telephone revolving fund (12-4230-8-3-271);”, “Rural housing insurance fund (12-4141-0-3-371);”, “Small Business Administration, Business loan and investment fund (73-4154-0-3-376);”, “Small Business Administration, Lease guarantees revolving fund

(73-4157-0-3-376);", "Small Business Administration, Pollution control equipment contract guarantee revolving fund (73-4147-0-3-376);", "Small Business Administration, Surety bond guarantees revolving fund (73-4156-0-3-376);", and "Department of Veterans Affairs, Loan guaranty revolving fund (36-4025-0-3-704);" after item relating to rail service assistance.

Pub. L. 105-33, §10207(c)(3)(D), inserted item relating to credit liquidating accounts.

Pub. L. 105-33, §10207(c)(3)(C), struck out "Community development grant loan guarantees (86-0162-0-1-451);" after item relating to United States Treasury check forgery insurance fund.

Pub. L. 105-33, §10207(c)(3)(B), substituted "United States Treasury check forgery insurance fund" for "Check forgery insurance fund".

Pub. L. 105-33, §10207(c)(3)(A), struck out items "Agency for International Development, Housing, and other credit guarantee programs (72-4340-0-3-151);" and "Agricultural credit insurance fund (12-4140-0-3-351);" after "order issued under this subchapter:".

Subsec. (h). Pub. L. 105-33, §10207(f), struck out heading and text of subsec. (h) relating to optional exemption of military personnel. Text read as follows:

"(1) The President may, with respect to any military personnel account, exempt that account from sequestration or provide for a lower uniform percentage reduction than would otherwise apply.

"(2) The President may not use the authority provided by paragraph (1) unless he notifies the Congress of the manner in which such authority will be exercised on or before the initial snapshot date for the budget year."

Pub. L. 105-33, §10207(d)(4), inserted item relating to family support payments to States.

Pub. L. 105-33, §10207(d)(3), substituted item relating to special supplemental nutrition program for women, infants, and children (WIC) for "Women, infants, and children program (12-3510-0-1-605);".

Pub. L. 105-33, §10207(d)(2), inserted items relating to temporary assistance for needy families, contingency fund, and child care entitlement to States.

Pub. L. 105-33, §10207(d)(1), substituted item relating to child nutrition programs for "Child nutrition (12-3539-0-1-605);".

Subsec. (i). Pub. L. 105-33, §10207(e), amended heading and text of subsec. (i) generally. Prior to amendment, text read as follows: "For purposes of subsections (g) and (h) of this section, programs are identified by the designated budget account identification code numbers set forth in the Budget of the United States Government, 1986—Appendix."

1996—Subsec. (g)(1)(A). Pub. L. 104-208, §2704(d)(10), which directed the amendment of subpar. (A) by substituting "Deposit Insurance Fund" for "Bank Insurance Fund" and by striking "Federal Deposit Insurance Corporation, Savings Association Insurance fund;", was not executed and was repealed by Pub. L. 109-171. See Effective Date of 1996 Amendments note below.

Subsec. (h). Pub. L. 104-193 substituted "Block grants to States for temporary assistance for needy families;" for "Aid to families with dependent children (75-0412-0-1-609);".

1992—Subsec. (g)(1)(A). Pub. L. 102-572, §601(b), inserted item relating to payment to Judiciary Trust Funds.

Pub. L. 102-486 inserted item relating to United States Enrichment Corporation.

Subsec. (g)(1)(B). Pub. L. 102-572, §601(a), inserted items relating to Judicial Officers' Retirement Fund and Court of Federal Claims Judges' Retirement Fund.

1991—Subsec. (b). Pub. L. 102-83 substituted "section 2307 of title 38" for "section 907 of title 38" in item relating to burial benefits for veterans.

Subsec. (g)(2). Pub. L. 102-54 substituted last two items relating to Department of Veterans Affairs for items relating to Veterans Administration, Loan guaranty revolving fund, and Veterans Administration, Servicemen's group life insurance fund.

1990—Subsec. (a). Pub. L. 101-508, §13101(c)(1), amended subsec. (a) generally. Prior to amendment, subsec.

(a) read as follows: "Increases in benefits payable under the old-age, survivors, and disability insurance program established under title II of the Social Security Act, or in benefits payable under section 231b(a), 231b(f)(3), 231c(a), or 231c(f) of title 45, shall not be considered 'automatic spending increases' for purposes of this title; and no reduction in any such increase or in any of the benefits involved shall be made under any order issued under this subchapter."

Subsec. (e). Pub. L. 101-508, §13101(c)(2), amended subsec. (e) generally. Prior to amendment, subsec. (e) read as follows: "Offsetting receipts and collections shall not be reduced under any order issued under this subchapter."

Subsec. (g)(1)(B). Pub. L. 101-508, §13101(c)(3), inserted item relating to railroad supplemental annuity pension fund.

Subsec. (h). Pub. L. 101-508, §13101(c)(4), added subsec. (h) relating to optional exemption of military personnel.

1989—Subsec. (g)(1)(A). Pub. L. 101-220 inserted item relating to Farm Credit System Financial Assistance Corporation, interest payments, after item relating to Exchange stabilization fund.

Pub. L. 101-73, §743(a)(1), inserted item relating to Director of the Office of Thrift Supervision after item relating to Comptroller of the Currency.

Pub. L. 101-73, §743(a)(2), substituted items relating to Federal Deposit Insurance Corporation, Bank Insurance Fund; Federal Deposit Insurance Corporation, FSLIC Resolution Fund; and Federal Deposit Insurance Corporation, Savings Association Insurance Fund; for item relating to Federal Home Loan Bank Board.

Pub. L. 101-73, §743(a)(3), substituted item relating to Federal Housing Finance Board for item relating to Federal Home Loan Bank Board, Federal Savings and Loan Insurance Corporation.

Pub. L. 101-73, §743(a)(4), inserted items relating to Resolution Funding Corporation and Resolution Trust Corporation after item relating to Postal service fund.

Subsec. (g)(2). Pub. L. 101-73, §743(c), struck out item relating to Federal Savings and Loan Insurance Corporation fund (82-4037-0-3-371).

1987—Subsec. (b). Pub. L. 100-119, §104(b)(1), inserted items relating to National Service Life Insurance Fund, Service-Disabled Veterans Insurance Fund, Veterans Special Life Insurance Fund, Veterans Reopened Insurance Fund, United States Government Life Insurance Fund, Veterans Insurance and Indemnity, Special Therapeutic and Rehabilitation Activities Fund, Veterans' Canteen Service Revolving Fund, benefits under chapter 21 of title 38 relating to specially adapted and mortgage-protection life insurance for certain veterans and service-connected disabilities, benefits under section 907 of title 38 relating to burial benefits for veterans who die as a result of service-connected disability, and benefits under chapter 39 of title 38 relating to automobiles and adaptive equipment for certain disabled veterans and members of the Armed Forces.

Subsec. (g)(1). Pub. L. 100-119, §104(a)(2), (b)(2), (3), designated existing provisions of par. (1) as subpar. (A); inserted items relating to Administration of Territories, Northern Mariana Islands Covenant grants, Thrift Savings Fund, Bureau of Indian Affairs, miscellaneous payments to Indians, Customs Service, miscellaneous permanent appropriations, higher education facilities loans and insurance, Internal Revenue Collections for Puerto Rico, Panama Canal Commission operating expenses and Panama Canal Commission capital outlay, to medical facilities guarantee and loan fund, Federal interest subsidies for medical facilities, Compact of Free Association, economic assistance pursuant to Public Law 99-658, payments to United States territories, fiscal assistance, payments to widows and heirs of deceased Members of Congress, and Washington Metropolitan Area Transit Authority, interest payments; and added subpar. (B).

Pub. L. 100-86 inserted items relating to Comptroller of the Currency; Federal Deposit Insurance Corporation; Federal Home Loan Bank Board; Federal Home

Loan Bank Board, Federal Savings and Loan Insurance Corporation; National Credit Union Administration; National Credit Union Administration, central liquidity facility; and National Credit Union Administration, credit union share insurance fund.

Subsec. (g)(2). Pub. L. 100-119, §104(c)(1), struck out following items relating to Veterans Administration: national service life insurance fund, service-disabled veterans insurance fund, United States Government life insurance fund, veterans insurance and indemnities, veterans reopened insurance fund, and veterans special life insurance fund.

Subsec. (h). Pub. L. 100-119, §104(a)(1), inserted item relating to commodity supplemental food program.

1986—Subsec. (d). Pub. L. 99-514 substituted “Internal Revenue Code of 1986” for “Internal Revenue Code of 1954”, which for purposes of codification was translated as “title 26” thus requiring no change in text.

Subsec. (g)(1). Pub. L. 99-509 inserted item relating to dual benefits payments account.

#### EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109-171 effective no later than the first day of the first calendar quarter that begins after the end of the 90-day period beginning Feb. 8, 2006, see section 2102(c) of Pub. L. 109-171, set out as a Merger of BIF and SAIF note under section 1821 of Title 12, Banks and Banking.

#### EFFECTIVE DATE OF 1996 AMENDMENTS

Amendment by Pub. L. 104-208 effective Jan. 1, 1999, if no insured depository institution is a savings association on that date, see section 2704(c) of Pub. L. 104-208, formerly set out as a note under section 1821 of Title 12, Banks and Banking.

Amendment by Pub. L. 104-193 effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104-193, as amended, set out as an Effective Date note under section 601 of Title 42, The Public Health and Welfare.

#### EFFECTIVE DATE OF 1992 AMENDMENT

Section 1101(a) of Pub. L. 102-572 provided that: “Except as otherwise provided in this Act, the provisions of this Act and the amendments made by this Act [see Tables for classification] shall take effect on January 1, 1993.”

#### EFFECTIVE DATE OF 1986 AMENDMENT

Section 7002(b) of Pub. L. 99-509 provided that: “The amendment made by subsection (a) [amending this section] shall apply to fiscal years beginning after September 30, 1986.”

#### SOLDIERS’ AND AIRMEN’S HOME

The Soldiers’ and Airmen’s Home, referred to in subsec. (g)(1)(A), was incorporated into the Armed Forces Retirement Home by section 411 of Title 24, Hospitals and Asylums.

### § 906. General and special sequestration rules

**(a) Repealed. Pub. L. 111-139, title I, § 10(a), Feb. 12, 2010, 124 Stat. 21**

#### **(b) Student loans**

For all student loans under part B or D of title IV of the Higher Education Act of 1965 [20 U.S.C. 1071 et seq., 1087a et seq.] made during the period when a sequestration order under section 904 of this title is in effect as required by section 902 or 903 of this title, origination fees under sec-

tions 438(c)(2) and (6) and 455(c) [20 U.S.C. 1087-1(c)(2), (6), 1087e(c)] and loan processing and issuance fees under section 428(f)(1)(A)(ii) of that Act [20 U.S.C. 1078(f)(1)(A)(ii)] shall each be increased by the uniform percentage specified in that sequestration order, and, for student loans originated during the period of the sequestration, special allowance payments under section 438(b) of that Act [20 U.S.C. 1087-1(b)] accruing during the period of the sequestration shall be reduced by the uniform percentage specified in that sequestration order.

**(c) Repealed. Pub. L. 111-139, title I, § 10(c), Feb. 12, 2010, 124 Stat. 22**

#### **(d) Special rules for Medicare program**

##### **(1) Calculation of reduction in payment amounts**

To achieve the total percentage reduction in those programs required by section 902 or 903 of this title, subject to paragraph (2), and notwithstanding section 710 of the Social Security Act [42 U.S.C. 911], OMB shall determine, and the applicable Presidential order under section 904 of this title shall implement, the percentage reduction that shall apply, with respect to the health insurance programs under title XVIII of the Social Security Act [42 U.S.C. 1395 et seq.]—

(A) in the case of parts A and B of such title [42 U.S.C. 1395c et seq., 1395j et seq.], to individual payments for services furnished during the one-year period beginning on the first day of the first month beginning after the date the order is issued (or, if later, the date specified in paragraph (4)); and

(B) in the case of parts C and D [42 U.S.C. 1395w-21 et seq., 1395w-101 et seq.], to monthly payments under contracts under such parts for the same one-year period;

such that the reduction made in payments under that order shall achieve the required total percentage reduction in those payments for that period.

##### **(2) Uniform reduction rate; maximum permissible reduction**

Reductions in payments for programs and activities under such title XVIII [42 U.S.C. 1395 et seq.] pursuant to a sequestration order under section 904 of this title shall be at a uniform rate, which shall not exceed 4 percent, across all such programs and activities subject to such order.

##### **(3) Timing of application of reductions**

###### **(A) In general**

Except as provided in subparagraph (B), if a reduction is made under paragraph (1) in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for services furnished during the effective period of the order. For purposes of the previous sentence, in the case of inpatient services furnished for an individual, the services shall be considered to be furnished on the date of the individual’s discharge from the inpatient facility.

###### **(B) Payment on the basis of cost reporting periods**

In the case in which payment for services of a provider of services is made under title

XVIII of the Social Security Act [42 U.S.C. 1395 et seq.] on a basis relating to the reasonable cost incurred for the services during a cost reporting period of the provider, if a reduction is made under paragraph (1) in payment amounts pursuant to a sequestration order, the reduction shall be applied to payment for costs for such services incurred at any time during each cost reporting period of the provider any part of which occurs during the effective period of the order, but only (for each such cost reporting period) in the same proportion as the fraction of the cost reporting period that occurs during the effective period of the order.

**(4) Timing of subsequent sequestration order**

A sequestration order required by section 902 or 903 of this title with respect to programs under such title XVIII [42 U.S.C. 1395 et seq.] shall not take effect until the first month beginning after the end of the effective period of any prior sequestration order with respect to such programs, as determined in accordance with paragraph (1).

**(5) No increase in beneficiary charges in assignment-related cases**

If a reduction in payment amounts is made under paragraph (1) for services for which payment under part B of title XVIII of the Social Security Act [42 U.S.C. 1395j et seq.] is made on the basis of an assignment described in section 1842(b)(3)(B)(ii) [42 U.S.C. 1395u(b)(3)(B)(ii)], in accordance with section 1842(b)(6)(B) [42 U.S.C. 1395u(b)(6)(B)], or under the procedure described in section 1870(f)(1) [42 U.S.C. 1395gg(f)(1)], of such Act, the person furnishing the services shall be considered to have accepted payment of the reasonable charge for the services, less any reduction in payment amount made pursuant to a sequestration order, as payment in full.

**(6) Sequestration disregarded in computing payment amounts**

The Secretary of Health and Human Services shall not take into account any reductions in payment amounts which have been or may be effected under this subchapter, for purposes of computing any adjustments to payment rates under such title XVIII [42 U.S.C. 1395 et seq.], specifically including—

(A) the part C growth percentage under section 1853(c)(6) [42 U.S.C. 1395w-23(c)(6)];

(B) the part D annual growth rate under section 1860D-2(b)(6) [42 U.S.C. 1395w-102(b)(6)]; and

(C) application of risk corridors to part D payment rates under section 1860D-15(e) [42 U.S.C. 1395w-115(e)].

**(7) Exemptions from sequestration**

In addition to the programs and activities specified in section 905 of this title, the following shall be exempt from sequestration under this subchapter:

**(A) Part D low-income subsidies**

Premium and cost-sharing subsidies under section 1860D-14 of the Social Security Act [42 U.S.C. 1395w-114].

**(B) Part D catastrophic subsidy**

Payments under section 1860D-15(b) and (e)(2)(B) of the Social Security Act [42 U.S.C. 1395w-115(b), (e)(2)(B)].

**(C) Qualified individual (QI) premiums**

Payments to States for coverage of Medicare cost-sharing for certain low-income Medicare beneficiaries under section 1933 of the Social Security Act [42 U.S.C. 1396u-3].

**(e) Community and migrant health centers, Indian health services and facilities, and veterans' medical care**

(1) The maximum permissible reduction in budget authority for any account listed in paragraph (2) for any fiscal year, pursuant to an order issued under section 904 of this title, shall be 2 percent.

(2) The accounts referred to in paragraph (1) are as follows:

(A) Community health centers (75-0350-0-1-550).

(B) Migrant health centers (75-0350-0-1-550).

(C) Indian health facilities (75-0391-0-1-551).

(D) Indian health services (75-0390-0-1-551).

(E) Veterans' medical care (36-0160-0-1-703).

For purposes of the preceding provisions of this paragraph, programs are identified by the designated budget account identification code numbers set forth in the Budget of the United States Government—Appendix.

**(f) Treatment of child support enforcement program**

Notwithstanding any change in the display of budget accounts, any order issued by the President under section 904 of this title shall accomplish the full amount of any required reduction in expenditures under sections 455 and 458 of the Social Security Act [42 U.S.C. 655, 658a] by reducing the Federal matching rate for State administrative costs under such program, as specified (for the fiscal year involved) in section 455(a) of such Act, to the extent necessary to reduce such expenditures by that amount.

**(g) Federal pay**

**(1) In general**

For purposes of any order issued under section 904 of this title—

(A) Federal pay under a statutory pay system, and

(B) elements of military pay,

shall be subject to reduction under an order in the same manner as other administrative expense components of the Federal budget; except that no such order may reduce or have the effect of reducing the rate of pay to which any individual is entitled under any such statutory pay system (as increased by any amount payable under section 5304 of title 5 or section 302 of the Federal Employees Pay Comparability Act of 1990) or the rate of any element of military pay to which any individual is entitled under title 37, or any increase in rates of pay which is scheduled to take effect under section 5303 of title 5, section 1009 of title 37, or any other provision of law.

**(2) Definitions**

For purposes of this subsection:

(A) The term “statutory pay system” shall have the meaning given that term in section 5302(1) of title 5.

(B) The term “elements of military pay” means—

(i) the elements of compensation of members of the uniformed services specified in section 1009 of title 37,

(ii) allowances provided members of the uniformed services under sections 403a and 475 of such title, and

(iii) cadet pay and midshipman pay under section 203(c) of such title.

(C) The term “uniformed services” shall have the meaning given that term in section 101(3) of title 37.

**(h) Treatment of Federal administrative expenses**

(1) Notwithstanding any other provision of this title,<sup>1</sup> administrative expenses incurred by the departments and agencies, including independent agencies, of the Federal Government in connection with any program, project, activity, or account shall be subject to reduction pursuant to an order issued under section 904 of this title, without regard to any exemption, exception, limitation, or special rule which is otherwise applicable with respect to such program, project, activity, or account under this subchapter.

(2) Notwithstanding any other provision of law, administrative expenses of any program, project, activity, or account which is self-supporting and does not receive appropriations shall be subject to reduction under a sequester order, unless specifically exempted in this subchapter.

(3) Payments made by the Federal Government to reimburse or match administrative costs incurred by a State or political subdivision under or in connection with any program, project, activity, or account shall not be considered administrative expenses of the Federal Government for purposes of this section, and shall be subject to reduction or sequestration under this subchapter to the extent (and only to the extent) that other payments made by the Federal Government under or in connection with that program, project, activity, or account are subject to such reduction or sequestration; except that Federal payments made to a State as reimbursement of administrative costs incurred by such State under or in connection with the unemployment compensation programs specified in subsection (h)(1)<sup>1</sup> of this section shall be subject to reduction or sequestration under this subchapter notwithstanding the exemption otherwise granted to such programs under that subsection.

(4) Notwithstanding any other provision of law, this subsection shall not apply with respect to the following:

(A) Comptroller of the Currency.

(B) Federal Deposit Insurance Corporation.

(C) National Credit Union Administration.

(D) National Credit Union Administration, central liquidity facility.

(E) Federal Retirement Thrift Investment Board.

(F) Farm Credit Administration.

**(i) Treatment of payments and advances made with respect to unemployment compensation programs**

(1) For purposes of section 904 of this title—

(A) any amount paid as regular unemployment compensation by a State from its account in the Unemployment Trust Fund (established by section 904(a) of the Social Security Act [42 U.S.C. 1104(a)]),

(B) any advance made to a State from the Federal unemployment account (established by section 904(g) of such Act [42 U.S.C. 1104(g)]) under title XII of such Act [42 U.S.C. 1321 et seq.] and any advance appropriated to the Federal unemployment account pursuant to section 1203 of such Act [42 U.S.C. 1323], and

(C) any payment made from the Federal Employees Compensation Account (as established under section 909 of such Act [42 U.S.C. 1109]) for the purpose of carrying out chapter 85 of title 5 and funds appropriated or transferred to or otherwise deposited in such Account,

shall not be subject to reduction.

(2)(A) A State may reduce each weekly benefit payment made under the Federal-State Extended Unemployment Compensation Act of 1970 for any week of unemployment occurring during any period with respect to which payments are reduced under an order issued under section 904 of this title by a percentage not to exceed the percentage by which the Federal payment to the State under section 204 of such Act is to be reduced for such week as a result of such order.

(B) A reduction by a State in accordance with subparagraph (A) shall not be considered as a failure to fulfill the requirements of section 3304(a)(11) of title 26.

**(j) Commodity Credit Corporation**

**(1) Powers and authorities of the Commodity Credit Corporation**

This title<sup>2</sup> shall not restrict the Commodity Credit Corporation in the discharge of its authority and responsibility as a corporation to buy and sell commodities in world trade, to use the proceeds as a revolving fund to meet other obligations and otherwise operate as a corporation, the purpose for which it was created.

**(2) Reduction in payments made under contracts**

(A) Loan eligibility under any contract entered into with a person by the Commodity Credit Corporation prior to the time an order has been issued under section 904 of this title shall not be reduced by an order subsequently issued. Subject to subparagraph (B), after an order is issued under such section for a fiscal year, any cash payments for loans or loan deficiencies made by the Commodity Credit Corporation shall be subject to reduction under the order.

(B) Each loan contract entered into with producers or producer cooperatives with respect to a particular crop of a commodity and subject to reduction under subparagraph (A)

<sup>1</sup> See References in Text note below.

<sup>2</sup> See References in Text note below.



shall be reduced in accordance with the same terms and conditions. If some, but not all, contracts applicable to a crop of a commodity have been entered into prior to the issuance of an order under section 904 of this title, the order shall provide that the necessary reduction in payments under contracts applicable to the commodity be uniformly applied to all contracts for the next succeeding crop of the commodity, under the authority provided in paragraph (3).

**(3) Delayed reduction in outlays permissible**

Notwithstanding any other provision of this title,<sup>2</sup> if an order under section 904 of this title is issued with respect to a fiscal year, any reduction under the order applicable to contracts described in paragraph (1) may provide for reductions in outlays for the account involved to occur in the fiscal year following the fiscal year to which the order applies.

**(4) Uniform percentage rate of reduction and other limitations**

All reductions described in paragraph (2) which are required to be made in connection with an order issued under section 904 of this title with respect to a fiscal year shall be made so as to ensure that outlays for each program, project, activity, or account involved are reduced by a percentage rate that is uniform for all such programs, projects, activities, and accounts, and may not be made so as to achieve a percentage rate of reduction in any such item exceeding the rate specified in the order.

**(5) Dairy program**

Notwithstanding any other provision of this subsection, as the sole means of achieving any reduction in outlays under the milk price support program, the Secretary of Agriculture shall provide for a reduction to be made in the price received by producers for all milk produced in the United States and marketed by producers for commercial use. That price reduction (measured in cents per hundred weight of milk marketed) shall occur under section 1446(d)(2)(A) of title 7, shall begin on the day any sequestration order is issued under section 904 of this title, and shall not exceed the aggregate amount of the reduction in outlays under the milk price support program that otherwise would have been achieved by reducing payments for the purchase of milk or the products of milk under this subsection during the applicable fiscal year.

**(6) Certain authority not to be limited**

Nothing in this joint resolution shall limit or reduce, in any way, any appropriation that provides the Commodity Credit Corporation with budget authority to cover the Corporation's net realized losses.

**(k) Effects of sequestration**

The effects of sequestration shall be as follows:

(1) Budgetary resources sequestered from any account shall be permanently cancelled, except as provided in paragraph (6).

(2) Except as otherwise provided, the same percentage sequestration shall apply to all

programs, projects, and activities within a budget account (with programs, projects, and activities as delineated in the appropriation Act or accompanying report for the relevant fiscal year covering that account, or for accounts not included in appropriation Acts, as delineated in the most recently submitted President's budget).

(3) Administrative regulations or similar actions implementing a sequestration shall be made within 120 days of the sequestration order. To the extent that formula allocations differ at different levels of budgetary resources within an account, program, project, or activity, the sequestration shall be interpreted as producing a lower total appropriation, with the remaining amount of the appropriation being obligated in a manner consistent with program allocation formulas in substantive law.

(4) Except as otherwise provided, obligations in sequestered accounts shall be reduced only in the fiscal year in which a sequester occurs.

(5) If an automatic spending increase is sequestered, the increase (in the applicable index) that was disregarded as a result of that sequestration shall not be taken into account in any subsequent fiscal year.

(6) Budgetary resources sequestered in revolving, trust, and special fund accounts and offsetting collections sequestered in appropriation accounts shall not be available for obligation during the fiscal year in which the sequestration occurs, but shall be available in subsequent years to the extent otherwise provided in law.

(Pub. L. 99-177, title II, §256, Dec. 12, 1985, 99 Stat. 1086; Pub. L. 99-514, §2, Oct. 22, 1986, 100 Stat. 2095; Pub. L. 100-86, title V, §506(b), Aug. 10, 1987, 101 Stat. 634; Pub. L. 100-119, title I, §§102(b)(2), (3), (11), 104(a)(3), (4), Sept. 29, 1987, 101 Stat. 773, 775, 776; Pub. L. 101-73, title VII, §743(b), Aug. 9, 1989, 103 Stat. 437; Pub. L. 101-508, title XIII, §13101(d), Nov. 5, 1990, 104 Stat. 1388-589; Pub. L. 101-509, title V, §529 [title I, §101(b)(2)(A), (4)(H)], Nov. 5, 1990, 104 Stat. 1427, 1439, 1440; Pub. L. 104-193, title I, §110(r)(2), Aug. 22, 1996, 110 Stat. 2175; Pub. L. 105-33, title X, §10208(a)(1), (b)-(g), Aug. 5, 1997, 111 Stat. 708-710; Pub. L. 111-139, title I, §§9(b), 10, Feb. 12, 2010, 124 Stat. 21; Pub. L. 111-203, title III, §352, July 21, 2010, 124 Stat. 1546; Pub. L. 112-81, div. A, title VI, §631(f)(4)(B), Dec. 31, 2011, 125 Stat. 1465.)

REFERENCES IN TEXT

The Higher Education Act of 1965, referred to in subsec. (b), is Pub. L. 89-329, Nov. 8, 1965, 79 Stat. 1219. Parts B and D of title IV of the Act are classified generally to parts B (§1071 et seq.) and C (§1087a et seq.) of subchapter IV of chapter 28 of Title 20, Education. For complete classification of this Act to the Code, see Short Title note set out under section 1001 of Title 20 and Tables.

The Social Security Act, referred to in subsecs. (d) and (i)(1)(B), is act Aug. 14, 1935, ch. 531, 49 Stat. 620. Titles XII and XVIII of the Social Security Act are classified generally to subchapters XII (§1321 et seq.) and XVIII (§1395 et seq.), respectively, of chapter 7 of Title 42, The Public Health and Welfare. Parts A to D of title XVIII of the Act are classified generally to parts A (§1395c et seq.), B (§1395j et seq.), C (§1395w-21 et seq.), and D (§1395w-101 et seq.), respectively, of sub-

chapter XVIII of chapter 7 of Title 42. For complete classification of this Act to the Code, see section 1305 of Title 42 and Tables.

Section 302 of the Federal Employees Pay Comparability Act of 1990, referred to in subsec. (g)(1), is section 529 [title III, §302] of Pub. L. 101-509, which is set out as a note under section 5304 of Title 5, Government Organization and Employees.

This title, referred to in subsecs. (h)(1) and (j)(1), (3), means title II (§200 et seq.) of Pub. L. 99-177, Dec. 12, 1985, 99 Stat. 1038, known as the Balanced Budget and Emergency Deficit Control Act of 1985. For complete classification of this Act to the Code, see Short Title note set out under section 900 of this title and Tables.

Subsec. (h)(1) of this section, referred to in subsec. (h)(3), was redesignated subsec. (i)(1) of this section by Pub. L. 101-508, title XIII, §13101(d)(2), Nov. 5, 1990, 104 Stat. 1388-589.

The Federal-State Extended Unemployment Compensation Act of 1970, referred to in subsec. (i)(2)(A), is title II of Pub. L. 91-373, Aug. 10, 1970, 84 Stat. 708, which is classified generally as a note under section 3304 of Title 26, Internal Revenue Code. Section 204 of such Act is set out in the note under section 3304 of Title 26. For complete classification of this Act to the Code, see Tables.

This joint resolution, referred to in subsec. (j)(6), means Pub. L. 99-177, Dec. 12, 1985, 99 Stat. 1037, which enacted this chapter and sections 654 to 656 of this title, amended sections 602, 622, 631 to 642, and 651 to 653 of this title, sections 1104 to 1106, 1109, and 3101 of Title 31, Money and Finance, and section 911 of Title 42, The Public Health and Welfare, repealed section 661 of this title, enacted provisions set out as notes under section 900 of this title and section 911 of Title 42, and amended provisions set out as a note under section 621 of this title. For complete classification of this Act to the Code, see Tables.

#### CODIFICATION

In subsec. (g)(2)(B)(ii), “475” substituted for “405” pursuant to section 631(f)(4)(B) of Pub. L. 112-81, which provided that any reference in a provision of law other than a section of title 10, 32, or 37, United States Code, to a section of title 37 that was transferred and redesignated by “subsection (c)” of section 631 was deemed to refer to the section as so redesignated, notwithstanding that sections of title 37 were transferred and redesignated by subsection (d) of section 631 rather than subsection (c), to reflect the probable intent of Congress.

#### AMENDMENTS

2011—Subsec. (g)(2)(B)(ii). Pub. L. 112-81 substituted “475” for “405”. See Codification note above.

2010—Subsec. (a). Pub. L. 111-139, §10(a), struck out subsec. (a). Text read as follows: “Automatic spending increases are increases in outlays due to changes in indexes in the following programs:

“(1) Special milk program; and

“(2) Vocational rehabilitation basic State grants.

In those programs all amounts other than the automatic spending increases shall be exempt from reduction under any order issued under this subchapter.”

Subsec. (b). Pub. L. 111-139, §10(b), substituted “origination fees under sections 438(c)(2) and (6) and 455(c) and loan processing and issuance fees under section 428(f)(1)(A)(ii) of that Act shall each be increased by the uniform percentage specified in that sequestration order, and, for student loans originated during the period of the sequestration, special allowance payments under section 438(b) of that Act accruing during the period of the sequestration shall be reduced by the uniform percentage specified in that sequestration order.” for “origination fees under sections 438(c)(2) and 455(c) of that Act shall each be increased by 0.50 percentage point.”

Subsec. (c). Pub. L. 111-139, §10(c), struck out subsec. (c). Text read as follows: “Any order issued by the President under section 904 of this title shall make the

reduction which is otherwise required under the foster care and adoption assistance programs (established by part E of title IV of the Social Security Act) only with respect to payments and expenditures made by States in which increases in foster care maintenance payment rates or adoption assistance payment rates (or both) are to take effect during the fiscal year involved, and only to the extent that the required reduction can be accomplished by applying a uniform percentage reduction to the Federal matching payments that each such State would otherwise receive under section 474 of that Act (for such fiscal year) for that portion of the State's payments which is attributable to the increases taking effect during that year. No State's matching payments from the Federal Government for foster care maintenance payments or for adoption assistance maintenance payments may be reduced by a percentage exceeding the applicable domestic sequestration percentage. No State may, after December 12, 1985, make any change in the timetable for making payments under a State plan approved under part E of title IV of the Social Security Act which has the effect of changing the fiscal year in which expenditures under such part are made.”

Subsec. (d)(1). Pub. L. 111-139, §10(d)(2), amended par. (1) generally. Prior to amendment, text read as follows: “To achieve the total percentage reduction in those programs required by sections 902 and 903 of this title, and notwithstanding section 710 of the Social Security Act, OMB shall determine, and the applicable Presidential order under section 904 of this title shall implement, the percentage reduction that shall apply to payments under the health insurance programs under title XVIII of the Social Security Act for services furnished after the order is issued, such that the reduction made in payments under that order shall achieve the required total percentage reduction in those payments for that fiscal year as determined on a 12-month basis.”

Subsec. (d)(2) to (6). Pub. L. 111-139, §10(d)(1), (3)–(5), added pars. (2) and (4), redesignated former pars. (2), (3), and (4) as (3), (5), and (6), respectively, and amended par. (6) generally. Prior to amendment, text of par. (6) read as follows: “In computing the adjusted average per capita cost for purposes of section 1876(a)(4) of the Social Security Act, the Secretary of Health and Human Services shall not take into account any reductions in payment amounts which have been or may be effected under this subchapter.”

Subsec. (d)(7). Pub. L. 111-139, §10(d)(6), added par. (7).

Subsec. (h)(4)(C) to (H). Pub. L. 111-203 redesignated subpars. (D), (E), (F), and (H) as (C), (D), (E), and (F), respectively, and struck out former subpars. (C) and (G) which read as follows:

“(C) Office of Thrift Supervision.”

“(G) Resolution Trust Corporation.”

Subsec. (k)(1). Pub. L. 111-139, §9(b), substituted “in paragraph (6)” for “in paragraph (5)”.

1997—Pub. L. 105-33, §10208(a)(1), substituted “General and special sequestration rules” for “Exceptions, limitations, and special rules” as section catchline.

Subsec. (a). Pub. L. 105-33, §10208(b), redesignated pars. (2) and (3) as (1) and (2), respectively, and struck out former par. (1) which read as follows: “National Wool Act;”.

Subsec. (b). Pub. L. 105-33, §10208(c), amended subsec. (b) generally, substituting new heading and text for former text consisting of pars. (1) to (3) relating to reductions required to be achieved from student loan programs operated under part B of title IV of the Higher Education Act of 1965 as a consequence of a sequestration order. Amendment was executed to reflect the probable intent of Congress based on language directing the general amendment of subsec. (b), appearing in the conference report for H.R. 2015, H. Rept. No. 105-217, 105th Congress, as adopted by the House of Representatives and Senate.

Subsec. (e)(1). Pub. L. 105-33, §10208(d), substituted “shall be 2 percent.” for “shall be—” and struck out subpars. (A) and (B) which read as follows:

“(A) 1 percent in the case of the fiscal year 1986, and

“(B) 2 percent in the case of any subsequent fiscal year.”

Subsec. (h)(2). Pub. L. 105-33, § 10208(e)(1), substituted “this subchapter” for “this joint resolution”.

Subsec. (h)(4)(D). Pub. L. 105-33, § 10208(e)(2), redesignated subpar. (E) as (D) and struck out former subpar. (D) which read as follows: “Office of Thrift Supervision.”

Subsec. (h)(4)(E) to (G). Pub. L. 105-33, § 10208(e)(2), redesignated subpars. (F), (G), and (I) as (E), (F), and (G), respectively. Former subpar. (E) redesignated (D).

Subsec. (h)(4)(H). Pub. L. 105-33, § 10208(e)(2), added subpar. (H) and struck out former subpar. (H) which read as follows: “Resolution Funding Corporation.”

Subsec. (h)(4)(I). Pub. L. 105-33, § 10208(e)(2), redesignated subpar. (I) as (G).

Subsec. (j)(2) to (5). Pub. L. 105-33, § 10208(f), added pars. (2) to (5) and struck out former pars. (2) to (5) which related to reduction in payments made under contracts, delayed reduction in outlays permissible, uniform percentage rate of reduction and other limitations, and no double reduction for agricultural price support and income protection programs.

Subsec. (k)(1). Pub. L. 105-33, § 10208(g)(1), struck out “other than a trust or special fund account” after “from any account” and inserted “, except as provided in paragraph (5)” before period.

Subsec. (k)(6). Pub. L. 105-33, § 10208(g)(2), amended par. (6) generally. Prior to amendment, par. (6) read as follows: “Except as otherwise provided, sequestration in trust and special fund accounts for which obligations are indefinite shall be taken in a manner to ensure that obligations in the fiscal year of a sequestration are reduced, from the level that would actually have occurred, by the applicable sequestration percentage.”

1996—Subsecs. (k), (l). Pub. L. 104-193 redesignated subsec. (l) as (k) and struck out former subsec. (k) which related to special rules for JOBS portion of AFDC, providing that any order under section 904 accomplish full amount of any required sequestration of job opportunities and basic skills training program, and setting forth new allotment formula.

1990—Subsec. (a). Pub. L. 101-508, § 13101(d)(1), amended subsec. (a) generally, substituting provisions relating to automatic spending increases for provisions relating to effect of reductions and sequestrations.

Subsec. (b). Pub. L. 101-508, § 13101(d)(3), substituted “section 904 of this title” for “section 902 of this title” in pars. (1) to (3).

Pub. L. 101-508, § 13101(d)(2), redesignated subsec. (c) as (b). Former subsec. (b) redesignated (h).

Subsec. (c). Pub. L. 101-508, § 13101(d)(4), inserted after first sentence “No State’s matching payments from the Federal Government for foster care maintenance payments or for adoption assistance maintenance payments may be reduced by a percentage exceeding the applicable domestic sequestration percentage.”

Pub. L. 101-508, § 13101(d)(3), substituted “section 904 of this title” for “section 902 of this title”.

Pub. L. 101-508, § 13101(d)(2), redesignated subsec. (f) as (c). Former subsec. (c) redesignated (b).

Subsec. (d)(1). Pub. L. 101-508, § 13101(d)(5), amended par. (1) generally. Prior to amendment, par. (1) read as follows: “The maximum permissible reduction for the health insurance programs under title XVIII of the Social Security Act for any fiscal year, pursuant to an order issued under section 902 of this title, consists only of a reduction of—

“(A) 1 percent in the case of fiscal year 1986, and

“(B) 2 percent (or such higher percentage as may apply as determined in accordance with section 902(a)(4)(B)(ii) of this title) in the case of any subsequent fiscal year,

in each separate payment amount otherwise made for a covered service under those programs without regard to this subchapter.”

Subsec. (d)(2)(C). Pub. L. 101-508, § 13101(d)(6), struck out subpar. (C) which read as follows: “For purposes of this paragraph, the effective period of a sequestration order for fiscal year 1986 is the period beginning on March 1, 1986, and ending on September 30, 1986.”

Subsec. (e). Pub. L. 101-508, § 13101(d)(2), redesignated subsec. (k) as (e). Former subsec. (e) redesignated (f).

Subsec. (e)(1). Pub. L. 101-508, § 13101(d)(3), substituted “section 904 of this title” for “section 902 of this title”.

Subsec. (f). Pub. L. 101-508, § 13101(d)(3), substituted “section 904 of this title” for “section 902 of this title”.

Pub. L. 101-508, § 13101(d)(2), redesignated subsec. (e) as (f). Former subsec. (f) redesignated (c).

Subsec. (g)(1). Pub. L. 101-509, § 529 [title I, § 101(b)(4)(H)], in closing provisions, inserted “(as increased by any amount payable under section 5304 of title 5 or section 302 of the Federal Employees Pay Comparability Act of 1990)” after “pay system” and substituted “5303” for “5305”.

Pub. L. 101-508, § 13101(d)(3), substituted “section 904 of this title” for “section 902 of this title”.

Subsec. (g)(2)(A). Pub. L. 101-509, § 529 [title I, § 101(b)(2)(A)], substituted “5302(1)” for “5301(c)”.

Subsec. (h). Pub. L. 101-508, § 13101(d)(2), redesignated subsec. (b) as (h). Former subsec. (h) redesignated (i).

Subsec. (h)(1). Pub. L. 101-508, § 13101(d)(3), substituted “section 904 of this title” for “section 902 of this title”.

Subsec. (i). Pub. L. 101-508, § 13101(d)(2), redesignated subsec. (h) as (i) and struck out former subsec. (i) which related to treatment of mine worker disability compensation increases as automatic spending increases.

Subsec. (i)(1), (2)(A). Pub. L. 101-508, § 13101(d)(3), substituted “section 904 of this title” for “section 902 of this title”.

Subsec. (j). Pub. L. 101-508, § 13101(d)(3), substituted “section 904 of this title” for “section 902 of this title” wherever appearing in pars. (2) to (5).

Subsec. (k). Pub. L. 101-508, § 13101(d)(2), added subsec. (k). Former subsec. (k) redesignated (e).

Subsec. (l). Pub. L. 101-508, § 13101(d)(2), added subsec. (l) and struck out former subsec. (l) which related to treatment of obligated balances.

1989—Subsec. (b)(4)(C). Pub. L. 101-73, § 743(b)(1), substituted “Office of Thrift Supervision” for “Federal Home Loan Bank Board”.

Subsec. (b)(4)(D). Pub. L. 101-73, § 743(b)(2), substituted “Office of Thrift Supervision” for “Federal Savings and Loan Insurance Corporation”.

Subsec. (b)(4)(H), (I). Pub. L. 101-73, § 743(b)(3), added subpars. (H) and (I).

1987—Subsec. (a)(2). Pub. L. 100-119, § 102(b)(2), amended par. (2) generally. Prior to amendment, par. (2) read as follows: “Any amount of new budget authority, unobligated balances, obligated balances, new loan guarantee commitments, new direct loan obligations, spending authority (as defined in section 651(c)(2) of this title), or obligation limitations which is sequestered or reduced pursuant to an order issued under section 902 of this title is permanently cancelled, with the exception of amounts sequestered in special or trust funds, which shall remain in such funds and be available in accordance with and to the extent permitted by law, including the provisions of this Act.”

Subsec. (b)(4). Pub. L. 100-86 added par. (4).

Subsec. (b)(4)(G). Pub. L. 100-119, § 104(a)(3), added subpar. (G).

Subsec. (d)(1)(B). Pub. L. 100-119, § 102(b)(11), inserted “(or such higher percentage as may apply as determined in accordance with section 902(a)(4)(B)(ii) of this title)”.

Subsec. (e). Pub. L. 100-119, § 104(a)(4), substituted “Notwithstanding any change in the display of budget accounts, any order” for “Any order”.

Subsec. (l). Pub. L. 100-119, § 102(b)(3), amended subsec. (l) generally, striking out provisions which had created an “existing contract” exception to the rule of obligated balances not being subject to reduction under an order issued under section 902 of this title, under which existing contracts in major functional category 050 (other than (A) those contracts which included a specified penalty for cancellation or modification by the Government and which if so cancelled or modified would have resulted (due to such penalty) in a net loss to the Government for the fiscal year, and (B) those contracts the reduction of which would have violated

the legal obligations of the Government) were subject to reduction, in accordance with section 901(d)(3) of this title, under an order issued under section 902 of this title.

1986—Subsec. (h)(2)(B). Pub. L. 99-514 substituted “Internal Revenue Code of 1986” for “Internal Revenue Code of 1954”, which for purposes of codification was translated as “title 26” thus requiring no change in text.

#### EFFECTIVE DATE OF 2010 AMENDMENT

Pub. L. 111-203, title III, § 351, July 21, 2010, 124 Stat. 1546, provided that: “Except as provided in section 364(a) [amending section 1438 of Title 12, Banks and Banking, and enacting provisions set out as a note under section 1438 of Title 12], the amendments made by this subtitle [subtitle E (§§ 351-378) of title III of Pub. L. 111-203, see Tables for classification] shall take effect on the transfer date.”

[For definition of “transfer date” as used in section 351 of Pub. L. 111-203, set out above, see section 5301 of Title 12, Banks and Banking.]

#### EFFECTIVE DATE OF 1996 AMENDMENT

Amendment by Pub. L. 104-193 effective July 1, 1997, with transition rules relating to State options to accelerate such date, rules relating to claims, actions, and proceedings commenced before such date, rules relating to closing out of accounts for terminated or substantially modified programs and continuance in office of Assistant Secretary for Family Support, and provisions relating to termination of entitlement under AFDC program, see section 116 of Pub. L. 104-193, set out as a note under section 601 of Title 42, The Public Health and Welfare.

#### EFFECTIVE DATE OF 1990 AMENDMENT

Amendment by Pub. L. 101-509 effective on such date as the President shall determine, but not earlier than 90 days, and not later than 180 days, after Nov. 5, 1990, see section 529 [title III, § 305] of Pub. L. 101-509, set out as a note under section 5301 of Title 5, Government Organization and Employees.

### § 907. The baseline

#### (a) In general

For any budget year, the baseline refers to a projection of current-year levels of new budget authority, outlays, revenues, and the surplus or deficit into the budget year and the outyears based on laws enacted through the applicable date.

#### (b) Direct spending and receipts

For the budget year and each outyear, the baseline shall be calculated using the following assumptions:

##### (1) In general

Laws providing or creating direct spending and receipts are assumed to operate in the manner specified in those laws for each such year and funding for entitlement authority is assumed to be adequate to make all payments required by those laws.

##### (2) Exceptions

(A)(i) No program established by a law enacted on or before August 5, 1997, with estimated current year outlays greater than \$50,000,000 shall be assumed to expire in the budget year or the outyears. The scoring of new programs with estimated outlays greater than \$50,000,000 a year shall be based on scoring by the Committees on Budget or OMB, as

applicable. OMB, CBO, and the Budget Committees shall consult on the scoring of such programs where there are differences<sup>1</sup> between CBO and OMB.

(ii) On the expiration of the suspension of a provision of law that is suspended under section 7301 of title 7 and that authorizes a program with estimated fiscal year outlays that are greater than \$50,000,000, for purposes of clause (i), the program shall be assumed to continue to operate in the same manner as the program operated immediately before the expiration of the suspension.

(B) The increase for veterans' compensation for a fiscal year is assumed to be the same as that required by law for veterans' pensions unless otherwise provided by law enacted in that session.

(C) Excise taxes dedicated to a trust fund, if expiring, are assumed to be extended at current rates.

(D) If any law expires before the budget year or any outyear, then any program with estimated current year outlays greater than \$50,000,000 that operates under that law shall be assumed to continue to operate under that law as in effect immediately before its expiration.

#### (3) Hospital Insurance Trust Fund

Notwithstanding any other provision of law, the receipts and disbursements of the Hospital Insurance Trust Fund shall be included in all calculations required by this Act.

#### (c) Discretionary appropriations

For the budget year and each outyear, the baseline shall be calculated using the following assumptions regarding all amounts other than those covered by subsection (b) of this section:

##### (1) Inflation of current-year appropriations

Budgetary resources other than unobligated balances shall be at the level provided for the budget year in full-year appropriation Acts. If for any account a full-year appropriation has not yet been enacted, budgetary resources other than unobligated balances shall be at the level available in the current year, adjusted sequentially and cumulatively for expiring housing contracts as specified in paragraph (2), for social insurance administrative expenses as specified in paragraph (3), to offset pay absorption and for pay annualization as specified in paragraph (4), for inflation as specified in paragraph (5), and to account for changes required by law in the level of agency payments for personnel benefits other than pay.

##### (2) Expiring housing contracts

New budget authority to renew expiring multiyear subsidized housing contracts shall be adjusted to reflect the difference in the number of such contracts that are scheduled to expire in that fiscal year and the number expiring in the current year, with the per-contract renewal cost equal to the average current-year cost of renewal contracts.

##### (3) Social insurance administrative expenses

Budgetary resources for the administrative expenses of the following trust funds shall be

<sup>1</sup> So in original. Probably should be “differences”.

adjusted by the percentage change in the beneficiary population from the current year to that fiscal year: the Federal Hospital Insurance Trust Fund, the Supplementary Medical Insurance Trust Fund, the Unemployment Trust Fund, and the railroad retirement account.

**(4) Pay annualization; offset to pay absorption**

Current-year new budget authority for Federal employees shall be adjusted to reflect the full 12-month costs (without absorption) of any pay adjustment that occurred in that fiscal year.

**(5) Inflationers**

The inflator used in paragraph (1) to adjust budgetary resources relating to personnel shall be the percent by which the average of the Bureau of Labor Statistics Employment Cost Index (wages and salaries, private industry workers) for that fiscal year differs from such index for the current year. The inflator used in paragraph (1) to adjust all other budgetary resources shall be the percent by which the average of the estimated gross domestic product chain-type price index for that fiscal year differs from the average of such estimated index for the current year.

**(6) Current-year appropriations**

If, for any account, a continuing appropriation is in effect for less than the entire current year, then the current-year amount shall be assumed to equal the amount that would be available if that continuing appropriation covered the entire fiscal year. If law permits the transfer of budget authority among budget accounts in the current year, the current-year level for an account shall reflect transfers accomplished by the submission of, or assumed for the current year in, the President's original budget for the budget year.

**(d) Up-to-date concepts**

In deriving the baseline for any budget year or outyear, current-year amounts shall be calculated using the concepts and definitions that are required for that budget year.

**(e) Asset sales**

Amounts realized from the sale of an asset shall not be included in estimates under section 901, 902, or 903 of this title if that sale would result in a financial cost to the Federal Government as determined pursuant to scorekeeping guidelines.

(Pub. L. 99-177, title II, §257, formerly §§251(a)(6)(I), 257, Dec. 12, 1985, 99 Stat. 1092; Pub. L. 100-119, title I, §§102(a), (b)(4)–(8), 104(c)(2), 106(b), Sept. 29, 1987, 101 Stat. 754, 773, 774, 777, 780; renumbered §257 and amended Pub. L. 101-508, title XIII, §13101(b), (e)(1), (2), Nov. 5, 1990, 104 Stat. 1388-589, 1388-591, 1388-593; Pub. L. 105-33, title X, §10209(a), Aug. 5, 1997, 111 Stat. 710.)

REFERENCES IN TEXT

This Act, referred to in subsec. (b)(3), means Pub. L. 99-177, Dec. 12, 1985, 99 Stat. 1037, as amended, which enacted this chapter and sections 654 to 656 of this title, amended sections 602, 622, 631 to 642, and 651 to 653 of this title, sections 1104 to 1106, 1109, and 3101 of Title 31,

Money and Finance, and section 911 of Title 42, The Public Health and Welfare, repealed section 661 of this title, enacted provisions set out as notes under section 900 of this title and section 911 of Title 42, and amended provisions set out as a note under section 621 of this title. For complete classification of this Act to the Code, see Tables.

CODIFICATION

Pub. L. 101-508, §13101(b), redesignated former par. (12) of this section as section 250(c)(21) (now 250(c)(19)) of Pub. L. 99-177, which is classified to section 900(c)(19) of this title.

Pub. L. 101-508, §13101(e)(2), transferred section 251(a)(6)(I) of Pub. L. 99-177, which was classified to section 901(a)(6)(I) of this title, to subsec. (e) of this section.

AMENDMENTS

1997—Subsec. (b)(2)(A). Pub. L. 105-33, §10209(a)(1), amended subpar. (A) generally. Prior to amendment, subpar. (A) read as follows: “No program with estimated current-year outlays greater than \$50 million shall be assumed to expire in the budget year or out-years.”

Subsec. (b)(2)(D). Pub. L. 105-33, §10209(a)(2), added subpar. (D).

Subsec. (c)(5). Pub. L. 105-33, §10209(a)(3), substituted “domestic product chain-type price index” for “national product fixed-weight price index”.

Subsec. (e). Pub. L. 105-33, §10209(a)(4), added subsec. (e) and struck out former subsec. (e) which read as follows: “The sale of an asset or prepayment of a loan shall not alter the deficit or produce any net deficit reduction in the budget baseline, except that the budget baseline estimate shall include asset sales mandated by law before September 18, 1987, and routine, ongoing asset sales and loan prepayments at levels consistent with agency operations in fiscal year 1986.”

1990—Pub. L. 101-508, §13101(e)(1), amended section generally, substituting provisions relating to baseline for provisions relating to definitions.

Subsec. (e). Pub. L. 101-508, §13101(e)(2), redesignated section 901(a)(6)(I) of this title as subsec. (e) of this section, and substituted “The” for “assuming, for purposes of this paragraph and subparagraph (A)(i) of paragraph (3), that the”.

1987—Pub. L. 100-119, §102(a), amended section 901 of this title generally, adding subsec. (a)(6)(I). See 1990 Amendment note above.

Par. (1). Pub. L. 100-119, §104(c)(2), struck out provisions of former subpar. (A) that “automatic spending increase” meant increases in budget outlays due to changes in indexes in the following Federal programs:

“Black lung benefits (20-8144-0-7-601);

“Central Intelligence Agency retirement and disability system fund (56-3400-0-1-054);

“Civil service retirement and disability fund (24-8135-0-7-602);

“Comptrollers general retirement system (05-0107-0-1-801);

“Foreign service retirement and disability fund (19-8186-0-7-602);

“Judicial survivors’ annuities fund (10-8110-0-7-602);

“Longshoremen’s and harborworkers’ compensation benefits (16-9971-0-7-601);

“Military retirement fund (97-8097-0-7-602);

“National Oceanic and Atmospheric Administration retirement (13-1450-0-1-306);

“Pensions for former Presidents (47-0105-0-1-802);

“Railroad retirement tier II (60-8011-0-7-601);

“Retired pay, Coast Guard (69-0241-0-1-403);

“Retirement pay and medical benefits for commissioned officers, Public Health Service (75-0379-0-1-551);

“Special benefits, Federal Employees’ Compensation Act (16-1521-0-1-600);

“Special benefits for disabled coal miners (75-0409-0-1-601); and

“Tax Court judges survivors annuity fund (23-8115-0-7-602).”

Par. (7). Pub. L. 100-119, §102(b)(4), amended par. (7) generally. Prior to amendment, par. (7) read as follows: “The terms ‘sequester’ and ‘sequestration’ (subject to section 902(a)(4) of this title) refer to or mean the cancellation of new budget authority, unobligated balances, obligated balances, new loan guarantee commitments, new direct loan obligations, and spending authority as defined in section 651(c)(2) of this title, and the reduction of obligation limitations.”

Par. (9). Pub. L. 100-119, §102(b)(5), added par. (9).

Par. (10). Pub. L. 100-119, §106(b), added par. (10).

Par. (11). Pub. L. 100-119, §102(b)(6), added par. (11).

Par. (12). Pub. L. 100-119, §102(b)(7), added par. (12).

Pars. (13), (14). Pub. L. 100-119, §102(b)(8), added pars. (13) and (14).

#### DEFINITION OF TERMS USED IN BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985

Pub. L. 101-163, title III, §315, Nov. 21, 1989, 103 Stat. 1066, provided that: “Effective in the case of this Act and any subsequent Act making appropriations for the Legislative Branch, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), as amended [see Short Title note set out under section 900 of this title], or any other Act which requires a uniform percentage reduction in accounts in this Act and any subsequent Act making appropriations for the Legislative Branch, the accounts under the general heading ‘Senate’, and the accounts under the general heading ‘House of Representatives’, shall each be considered to be one appropriation account and one ‘program, project, and activity’.”

Pub. L. 100-202, §101(i) [title III, §306], Dec. 22, 1987, 101 Stat. 1329-290, 1329-309, provided that: “Hereafter, for purposes of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), as amended [see Short Title note set out under section 900 of this title], the term ‘program, project, and activity’ shall be synonymous with each appropriation account in this Act [see Tables for classification], except that the accounts under the general heading ‘House of Representatives’ shall be considered one appropriation account and one ‘program, project, and activity’, and the accounts under the general heading ‘Senate’ shall be considered one appropriation account and one ‘program, project, and activity’.”

#### COST-OF-LIVING ADJUSTMENTS IN CERTAIN FEDERAL BENEFITS

Pub. L. 99-509, title VII, §7001, Oct. 21, 1986, 100 Stat. 1948, provided that:

“(a) IN GENERAL.—Benefits which are payable in calendar year 1987, 1988, 1989, 1990, or 1991, under programs listed in section 257(1)(A) of the Balanced Budget and Emergency Deficit Control Act of 1985 (Public Law 99-177), [2 U.S.C. 907(1)(A)], including any cost-of-living adjustment in such benefits, shall not be subject to modification, suspension, or reduction in such calendar year pursuant to a Presidential order issued under such Act [see Short Title note set out under 2 U.S.C. 900].

“(b) DEFINITION.—For purposes of this section, the term ‘cost-of-living adjustment’ means any increase or change in the amount of a benefit or in standards relating to such benefit under any provision of Federal law which requires such increase or change as a result of any change in the Consumer Price Index (or any component thereof) or any other index which measures costs, prices, or wages.”

### § 907a. Suspension in event of war or low growth

#### (a) Procedures in event of low-growth report

##### (1) Trigger

Whenever CBO issues a low-growth report under section 254(j),<sup>1</sup> the Majority Leader of the House of Representatives may, and the

Majority Leader of the Senate shall, introduce a joint resolution (in the form set forth in paragraph (2)) declaring that the conditions specified in section 254(j)<sup>1</sup> are met and suspending the relevant provisions of this title,<sup>1</sup> titles III and VI<sup>1</sup> of the Congressional Budget Act of 1974 [2 U.S.C. 631 et seq.], and section 1103 of title 31.

#### (2) Form of joint resolution

(A) The matter after the resolving clause in any joint resolution introduced pursuant to paragraph (1) shall be as follows: “That the Congress declares that the conditions specified in section 254(j)<sup>1</sup> of the Balanced Budget and Emergency Deficit Control Act of 1985 are met, and the implementation of the Congressional Budget and Impoundment Control Act of 1974, chapter 11 of title 31, United States Code, and part C of the Balanced Budget and Emergency Deficit Control Act of 1985 are modified as described in section 258(b) of the Balanced Budget and Emergency Deficit Control Act of 1985.”

(B) The title of the joint resolution shall be “Joint resolution suspending certain provisions of law pursuant to section 258(a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985.”; and the joint resolution shall not contain any preamble.

#### (3) Committee action

Each joint resolution introduced pursuant to paragraph (1) shall be referred to the appropriate committees of the House of Representatives or the Committee on the Budget of the Senate, as the case may be; and such Committee shall report the joint resolution to its House without amendment on or before the fifth day on which such House is in session after the date on which the joint resolution is introduced. If the Committee fails to report the joint resolution within the five-day period referred to in the preceding sentence, it shall be automatically discharged from further consideration of the joint resolution, and the joint resolution shall be placed on the appropriate calendar.

#### (4) Consideration of joint resolution

(A) A vote on final passage of a joint resolution reported to the Senate or discharged pursuant to paragraph (3) shall be taken on or before the close of the fifth calendar day of session after the date on which the joint resolution is reported or after the Committee has been discharged from further consideration of the joint resolution. If prior to the passage by one House of a joint resolution of that House, that House receives the same joint resolution from the other House, then—

(i) the procedure in that House shall be the same as if no such joint resolution had been received from the other House, but

(ii) the vote on final passage shall be on the joint resolution of the other House.

When the joint resolution is agreed to, the Clerk of the House of Representatives (in the case of a House joint resolution agreed to in the House of Representatives) or the Secretary of the Senate (in the case of a Senate joint resolution agreed to in the Senate) shall cause

<sup>1</sup> See References in Text note below.

the joint resolution to be engrossed, certified, and transmitted to the other House of the Congress as soon as practicable.

(B)(i) In the Senate, a joint resolution under this paragraph shall be privileged. It shall not be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(ii) Debate in the Senate on a joint resolution under this paragraph, and all debatable motions and appeals in connection therewith, shall be limited to not more than five hours. The time shall be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(iii) Debate in the Senate on any debatable motion or appeal in connection with a joint resolution under this paragraph shall be limited to not more than one hour, to be equally divided between, and controlled by, the mover and the manager of the joint resolution, except that in the event the manager of the joint resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee.

(iv) A motion in the Senate to further limit debate on a joint resolution under this paragraph is not debatable. A motion to table or to recommit a joint resolution under this paragraph is not in order.

(C) No amendment to a joint resolution considered under this paragraph shall be in order in the Senate.

#### **(b) Suspension of sequestration procedures**

Upon the enactment of a declaration of war or a joint resolution described in subsection (a) of this section—

(1) the subsequent issuance of any sequestration report or any sequestration order is precluded;

(2) sections 302(f), 310(d), 311(a), and title VI<sup>1</sup> of the Congressional Budget Act of 1974 [2 U.S.C. 633(f), 641(d), 642(a)] are suspended; and

(3) section 1103 of title 31 is suspended.

#### **(c) Restoration of sequestration procedures**

(1) In the event of a suspension of sequestration procedures due to a declaration of war, then, effective with the first fiscal year that begins in the session after the state of war is concluded by Senate ratification of the necessary treaties, the provisions of subsection (b) of this section triggered by that declaration of war are no longer effective.

(2) In the event of a suspension of sequestration procedures due to the enactment of a joint resolution described in subsection (a) of this section, then, effective with regard to the first fiscal year beginning at least 12 months after the enactment of that resolution, the provisions of subsection (b) of this section triggered by that resolution are no longer effective.

(Pub. L. 99-177, title II, §258, as added Pub. L. 101-508, title XIII, §13101(f), Nov. 5, 1990, 104 Stat. 1388-593.)

#### **REFERENCES IN TEXT**

Section 254 and section 254 of the Balanced Budget and Emergency Deficit Control Act of 1985, referred to in subsec. (a)(1), (2)(A), mean section 254 of Pub. L. 99-177, which is classified to section 904 of this title,

and was amended by Pub. L. 105-33, title X, §10206(1), Aug. 5, 1997, 111 Stat. 704, by redesignating subsecs. (j) and (k) as (i) and (j), respectively.

This title, referred to in subsec. (a)(1), means title II (§200 et seq.) of Pub. L. 99-177, Dec. 12, 1985, 99 Stat. 1038, as amended, known as the Balanced Budget and Emergency Deficit Control Act of 1985. For complete classification of this Act to the Code, see Short Title note set out under section 900 of this title and Tables.

The Congressional Budget Act of 1974, referred to in subsecs. (a)(1) and (b)(2), is titles I to IX of Pub. L. 93-344, July 12, 1974, 88 Stat. 297, as amended. Title III of the Act is classified generally to subchapter I (§631 et seq.) of chapter 17A of this title. Title VI of the Act was classified generally to subchapter IV (§665 et seq.) of chapter 17A of this title prior to repeal by Pub. L. 105-33, title X, §10118(a), Aug. 5, 1997, 111 Stat. 695. For complete classification of this Act to the Code, see Short Title note set out under section 621 of this title and Tables.

The Congressional Budget and Impoundment Control Act of 1974, referred to in subsec. (a)(2)(A), is Pub. L. 93-344, July 12, 1974, 88 Stat. 297, as amended. For complete classification of this Act to the Code, see Short Title note set out under section 621 of this title and Tables.

Part C of the Balanced Budget and Emergency Deficit Control Act of 1985, referred to in subsec. (a)(2)(A), is classified generally to this subchapter. Section 258 of the Act is classified to this section.

#### **PRIOR PROVISIONS**

A prior section 258 of Pub. L. 99-177 was classified to section 908 of this title prior to repeal by Pub. L. 105-33, title X, §10210, Aug. 5, 1997, 111 Stat. 711.

### **§ 907b. Modification of Presidential order**

#### **(a) Introduction of joint resolution**

At any time after the Director of OMB issues a final sequestration report under section 904 of this title for a fiscal year, but before the close of the twentieth calendar day of the session of Congress beginning after the date of issuance of such report, the majority leader of either House of Congress may introduce a joint resolution which contains provisions directing the President to modify the most recent order issued under section 904 of this title or provide an alternative to reduce the deficit for such fiscal year. After the introduction of the first such joint resolution in either House of Congress in any calendar year, then no other joint resolution introduced in such House in such calendar year shall be subject to the procedures set forth in this section.

#### **(b) Procedures for consideration of joint resolutions**

##### **(1) Referral to committee**

A joint resolution introduced in the Senate under subsection (a) of this section shall not be referred to a committee of the Senate and shall be placed on the calendar pending disposition of such joint resolution in accordance with this subsection.

##### **(2) Consideration in Senate**

On or after the third calendar day (excluding Saturdays, Sundays, and legal holidays) beginning after a joint resolution is introduced under subsection (a) of this section, notwithstanding any rule or precedent of the Senate, including Rule XXII of the Standing Rules of the Senate, it is in order (even though a pre-

vious motion to the same effect has been disagreed to) for any Member of the Senate to move to proceed to the consideration of the joint resolution. The motion is not in order after the eighth calendar day (excluding Saturdays, Sundays, and legal holidays) beginning after a joint resolution (to which the motion applies) is introduced. The joint resolution is privileged in the Senate. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the Senate shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and the joint resolution shall remain the unfinished business of the Senate until disposed of.

### (3) Debate in Senate

(A) In the Senate, debate on a joint resolution introduced under subsection (a) of this section, amendments thereto, and all debatable motions and appeals in connection therewith shall be limited to not more than 10 hours, which shall be divided equally between the majority leader and the minority leader (or their designees).

(B) A motion to postpone, or a motion to proceed to the consideration of other business is not in order. A motion to reconsider the vote by which the joint resolution is agreed to or disagreed to is not in order, and a motion to recommit the joint resolution is not in order.

(C)(i) No amendment that is not germane to the provisions of the joint resolution or to the order issued under section 904 of this title shall be in order in the Senate. In the Senate, an amendment, any amendment to an amendment, or any debatable motion or appeal is debatable for not to exceed 30 minutes to be equally divided between, and controlled by, the mover and the majority leader (or their designees), except that in the event that the majority leader favors the amendment, motion, or appeal, the minority leader (or the minority leader's designee) shall control the time in opposition to the amendment, motion, or appeal.

(ii) In the Senate, an amendment that is otherwise in order shall be in order notwithstanding the fact that it amends the joint resolution in more than one place or amends language previously amended. It shall not be in order in the Senate to vote on the question of agreeing to such a joint resolution or any amendment thereto unless the figures then contained in such joint resolution or amendment are mathematically consistent.

### (4) Vote on final passage

Immediately following the conclusion of the debate on a joint resolution introduced under subsection (a) of this section, a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate, and the disposition of any pending amendments under paragraph (3), the vote on final passage of the joint resolution shall occur.

### (5) Appeals

Appeals from the decisions of the Chair shall be decided without debate.

### (6) Conference reports

In the Senate, points of order under titles III, IV, and VI<sup>1</sup> of the Congressional Budget Act of 1974 [2 U.S.C. 631 et seq., 651 et seq.] are applicable to a conference report on the joint resolution or any amendments in disagreement thereto.

### (7) Resolution from other House

If, before the passage by the Senate of a joint resolution of the Senate introduced under subsection (a) of this section, the Senate receives from the House of Representatives a joint resolution introduced under subsection (a) of this section, then the following procedures shall apply:

(A) The joint resolution of the House of Representatives shall not be referred to a committee and shall be placed on the calendar.

(B) With respect to a joint resolution introduced under subsection (a) of this section in the Senate—

(i) the procedure in the Senate shall be the same as if no joint resolution had been received from the House; but

(ii)(I) the vote on final passage shall be on the joint resolution of the House if it is identical to the joint resolution then pending for passage in the Senate; or

(II) if the joint resolution from the House is not identical to the joint resolution then pending for passage in the Senate and the Senate then passes the Senate joint resolution, the Senate shall be considered to have passed the House joint resolution as amended by the text of the Senate joint resolution.

(C) Upon disposition of the joint resolution received from the House, it shall no longer be in order to consider the resolution originated in the Senate.

### (8) Senate action on House resolution

If the Senate receives from the House of Representatives a joint resolution introduced under subsection (a) of this section after the Senate has disposed of a Senate originated resolution which is identical to the House passed joint resolution, the action of the Senate with regard to the disposition of the Senate originated joint resolution shall be deemed to be the action of the Senate with regard to the House originated joint resolution. If it is not identical to the House passed joint resolution, then the Senate shall be considered to have passed the joint resolution of the House as amended by the text of the Senate joint resolution.

(Pub. L. 99-177, title II, §258A, as added Pub. L. 101-508, title XIII, §13101(f), Nov. 5, 1990, 104 Stat. 1388-595.)

#### REFERENCES IN TEXT

The Congressional Budget Act of 1974, referred to in subsec. (b)(6), is titles I to IX of Pub. L. 93-344, July 12,

<sup>1</sup> See References in Text note below.



1974, 88 Stat. 297, as amended. Titles III and IV of the Act are classified generally to subchapters I (§631 et seq.) and II (§651 et seq.), respectively, of chapter 17A of this title. Title VI of the Act was classified generally to subchapter IV (§665 et seq.) of chapter 17A of this title prior to repeal by Pub. L. 105-33, title X, §10118(a), Aug. 5, 1997, 111 Stat. 695. For complete classification of this Act to the Code, see Short Title note set out under section 621 of this title and Tables.

**§ 907c. Flexibility among defense programs, projects, and activities**

**(a) Reductions beyond amount specified in Presidential order**

Subject to subsections (b), (c), and (d) of this section, new budget authority and unobligated balances for any programs, projects, or activities within major functional category 050 (other than a military personnel account) may be further reduced beyond the amount specified in an order issued by the President under section 904 of this title for such fiscal year. To the extent such additional reductions are made and result in additional outlay reductions, the President may provide for lesser reductions in new budget authority and unobligated balances for other programs, projects, or activities within major functional category 050 for such fiscal year, but only to the extent that the resulting outlay increases do not exceed the additional outlay reductions, and no such program, project, or activity may be increased above the level actually made available by law in appropriation Acts (before taking sequestration into account). In making calculations under this subsection, the President shall use account outlay rates that are identical to those used in the report by the Director of OMB under section 904 of this title.

**(b) Base closures prohibited**

No actions taken by the President under subsection (a) of this section for a fiscal year may result in a domestic base closure or realignment that would otherwise be subject to section 2687 of title 10.

**(c) Report and joint resolution required**

The President may not exercise the authority provided by this paragraph<sup>1</sup> for a fiscal year unless—

(1) the President submits a single report to Congress specifying, for each account, the detailed changes proposed to be made for such fiscal year pursuant to this section;

(2) that report is submitted within 5 calendar days of the start of the next session of Congress; and

(3) a joint resolution affirming or modifying the changes proposed by the President pursuant to this paragraph<sup>1</sup> becomes law.

**(d) Introduction of joint resolution**

Within 5 calendar days of session after the President submits a report to Congress under subsection (c)(1) of this section for a fiscal year, the majority leader of each House of Congress shall (by request) introduce a joint resolution which contains provisions affirming the changes proposed by the President pursuant to this paragraph.<sup>1</sup>

<sup>1</sup> So in original. Probably should be “section”.

**(e) Form and title of joint resolution**

(1) The matter after the resolving clause in any joint resolution introduced pursuant to subsection (d) of this section shall be as follows: “That the report of the President as submitted on [Insert Date] under section 258B is hereby approved.”

(2) The title of the joint resolution shall be “Joint resolution approving the report of the President submitted under section 258B of the Balanced Budget and Emergency Deficit Control Act of 1985.”

(3) Such joint resolution shall not contain any preamble.

**(f) Calendar and consideration of joint resolution in Senate**

(1) A joint resolution introduced in the Senate under subsection (d) of this section shall be referred to the Committee on Appropriations, and if not reported within 5 calendar days (excluding Saturdays, Sundays, and legal holidays) from the date of introduction shall be considered as having been discharged therefrom and shall be placed on the appropriate calendar pending disposition of such joint resolution in accordance with this subsection. In the Senate, no amendment proposed in the Committee on Appropriations shall be in order other than an amendment (in the nature of a substitute) that is germane or relevant to the provisions of the joint resolution or to the order issued under section 904 of this title. For purposes of this paragraph, an amendment shall be considered to be relevant if it relates to function 050 (national defense).

(2) On or after the third calendar day (excluding Saturdays, Sundays, and legal holidays) beginning after a joint resolution is placed on the Senate calendar, notwithstanding any rule or precedent of the Senate, including Rule XXII of the Standing Rules of the Senate, it is in order (even though a previous motion to the same effect has been disagreed to) for any Member of the Senate to move to proceed to the consideration of the joint resolution. The motion is not in order after the eighth calendar day (excluding Saturdays, Sundays, and legal holidays) beginning after such joint resolution is placed on the appropriate calendar. The motion is not debatable. The joint resolution is privileged in the Senate. A motion to reconsider the vote by which the motion is agreed to or disagreed to shall not be in order. If a motion to proceed to the consideration of the joint resolution is agreed to, the Senate shall immediately proceed to consideration of the joint resolution without intervening motion, order, or other business, and the joint resolution shall remain the unfinished business of the Senate until disposed of.

**(g) Debate of joint resolution; motions**

(1) In the Senate, debate on a joint resolution introduced under subsection (d) of this section, amendments thereto, and all debatable motions and appeals in connection therewith shall be limited to not more than 10 hours, which shall be divided equally between the majority leader and the minority leader (or their designees).

(2) A motion to postpone, or a motion to proceed to the consideration of other business is not in order. A motion to reconsider the vote by

which the joint resolution is agreed to or disagreed to is not in order. In the Senate, a motion to recommit the joint resolution is not in order.

**(h) Amendment of joint resolution**

(1) No amendment that is not germane or relevant to the provisions of the joint resolution or to the order issued under section 904 of this title shall be in order in the Senate. For purposes of this paragraph, an amendment shall be considered to be relevant if it relates to function 050 (national defense). In the Senate, an amendment, any amendment to an amendment, or any debatable motion or appeal is debatable for not to exceed 30 minutes to be equally divided between, and controlled by, the mover and the majority leader (or their designees), except that in the event that the majority leader favors the amendment, motion, or appeal, the minority leader (or the minority leader's designee) shall control the time in opposition to the amendment, motion, or appeal.

(2) In the Senate, an amendment that is otherwise in order shall be in order notwithstanding the fact that it amends the joint resolution in more than one place or amends language previously amended, so long as the amendment makes or maintains mathematical consistency. It shall not be in order in the Senate to vote on the question of agreeing to such a joint resolution or any amendment thereto unless the figures then contained in such joint resolution or amendment are mathematically consistent.

(3) It shall not be in order in the Senate to consider any amendment to any joint resolution introduced under subsection (d) of this section or any conference report thereon if such amendment or conference report would have the effect of decreasing any specific budget outlay reductions below the level of such outlay reductions provided in such joint resolution unless such amendment or conference report makes a reduction in other specific budget outlays at least equivalent to any increase in outlays provided by such amendment or conference report.

(4) For purposes of the application of paragraph (3), the level of outlays and specific budget outlay reductions provided in an amendment shall be determined on the basis of estimates made by the Committee on the Budget of the Senate.

**(i) Vote on final passage of joint resolution**

Immediately following the conclusion of the debate on a joint resolution introduced under subsection (d) of this section, a single quorum call at the conclusion of the debate if requested in accordance with the rules of the Senate, and the disposition of any pending amendments under subsection (h) of this section, the vote on final passage of the joint resolution shall occur.

**(j) Appeal from decision of Chair**

Appeals from the decisions of the Chair relating to the application of the rules of the Senate to the procedure relating to a joint resolution described in subsection (d) of this section shall be decided without debate.

**(k) Conference reports**

In the Senate, points of order under titles III and IV of the Congressional Budget Act of 1974

[2 U.S.C. 631 et seq., 651 et seq.] (including points of order under sections 302(c), 303(a), 306, and 401(b)(1) [2 U.S.C. 633(c), 634(a), 637, 651(b)(1)]) are applicable to a conference report on the joint resolution or any amendments in disagreement thereto.

**(l) Resolution from other House**

If, before the passage by the Senate of a joint resolution of the Senate introduced under subsection (d) of this section, the Senate receives from the House of Representatives a joint resolution introduced under subsection (d) of this section, then the following procedures shall apply:

(1) The joint resolution of the House of Representatives shall not be referred to a committee.

(2) With respect to a joint resolution introduced under subsection (d) of this section in the Senate—

(A) the procedure in the Senate shall be the same as if no joint resolution had been received from the House; but

(B)(i) the vote on final passage shall be on the joint resolution of the House if it is identical to the joint resolution then pending for passage in the Senate; or

(ii) if the joint resolution from the House is not identical to the joint resolution then pending for passage in the Senate and the Senate then passes the Senate joint resolution, the Senate shall be considered to have passed the House joint resolution as amended by the text of the Senate joint resolution.

(3) Upon disposition of the joint resolution received from the House, it shall no longer be in order to consider the joint resolution originated in the Senate.

**(m) Senate action on House resolution**

If the Senate receives from the House of Representatives a joint resolution introduced under subsection (d) of this section after the Senate has disposed of a Senate originated joint resolution which is identical to the House passed joint resolution, the action of the Senate with regard to the disposition of the Senate originated joint resolution shall be deemed to be the action of the Senate with regard to the House originated joint resolution. If it is not identical to the House passed joint resolution, then the Senate shall be considered to have passed the joint resolution of the House as amended by the text of the Senate joint resolution.

(Pub. L. 99-177, title II, §258B, as added Pub. L. 101-508, title XIII, §13101(g), Nov. 5, 1990, 104 Stat. 1388-597.)

REFERENCES IN TEXT

Section 258B, referred to in subsec. (e)(1), (2), means section 258B of Pub. L. 99-177, which is classified to this section.

The Congressional Budget Act of 1974, referred to in subsec. (k), is titles I to IX of Pub. L. 93-344, July 12, 1974, 88 Stat. 297, as amended. Titles III and IV of the Act are classified generally to subchapters I (§631 et seq.) and II (§651 et seq.) of chapter 17A of this title. For complete classification of this Act to the Code, see Short Title note set out under section 621 of this title and Tables.

**§ 907d. Special reconciliation process****(a) Reporting of resolutions and reconciliation bills and resolutions, in Senate****(1) Committee alternatives to Presidential order**

After the submission of an OMB sequestration update report under section 904 of this title that envisions a sequestration under section 902 or 903 of this title, each standing committee of the Senate may, not later than October 10, submit to the Committee on the Budget of the Senate information of the type described in section 632(d) of this title with respect to alternatives to the order envisioned by such report insofar as such order affects laws within the jurisdiction of the committee.

**(2) Initial Budget Committee action**

After the submission of such a report, the Committee on the Budget of the Senate may, not later than October 15, report to the Senate a resolution. The resolution may affirm the impact of the order envisioned by such report, in whole or in part. To the extent that any part is not affirmed, the resolution shall state which parts are not affirmed and shall contain instructions to committees of the Senate of the type referred to in section 641(a) of this title, sufficient to achieve at least the total level of deficit reduction contained in those sections which are not affirmed.

**(3) Response of committees**

Committees instructed pursuant to paragraph (2), or affected thereby, shall submit their responses to the Budget Committee no later than 10 days after the resolution referred to in paragraph (2) is agreed to, except that if only one such Committee is so instructed such Committee shall, by the same date, report to the Senate a reconciliation bill or reconciliation resolution containing its recommendations in response to such instructions. A committee shall be considered to have complied with all instructions to it pursuant to a resolution adopted under paragraph (2) if it has made recommendations with respect to matters within its jurisdiction which would result in a reduction in the deficit at least equal to the total reduction directed by such instructions.

**(4) Budget Committee action**

Upon receipt of the recommendations received in response to a resolution referred to in paragraph (2), the Budget Committee shall report to the Senate a reconciliation bill or reconciliation resolution, or both, carrying out all such recommendations without any substantive revisions. In the event that a committee instructed in a resolution referred to in paragraph (2) fails to submit any recommendation (or, when only one committee is instructed, fails to report a reconciliation bill or resolution) in response to such instructions, the Budget Committee shall include in the reconciliation bill or reconciliation resolution reported pursuant to this subparagraph legislative language within the jurisdiction of the noncomplying committee to achieve the amount of deficit reduction directed in such instructions.

**(5) Point of order**

It shall not be in order in the Senate to consider any reconciliation bill or reconciliation resolution reported under paragraph (4) with respect to a fiscal year, any amendment thereto, or any conference report thereon if—

(A) the enactment of such bill or resolution as reported;

(B) the adoption and enactment of such amendment; or

(C) the enactment of such bill or resolution in the form recommended in such conference report,

would cause the amount of the deficit for such fiscal year to exceed the maximum deficit amount for such fiscal year, unless the low-growth report submitted under section 904 of this title projects negative real economic growth for such fiscal year, or for each of any two consecutive quarters during such fiscal year.

**(6) Treatment of certain amendments**

In the Senate, an amendment which adds to a resolution reported under paragraph (2) an instruction of the type referred to in such paragraph shall be in order during the consideration of such resolution if such amendment would be in order but for the fact that it would be held to be non-germane on the basis that the instruction constitutes new matter.

**(7) “Day” defined**

For purposes of paragraphs (1), (2), and (3), the term “day” shall mean any calendar day on which the Senate is in session.

**(b) Procedures****(1) In general**

Except as provided in paragraph (2), in the Senate the provisions of sections 636 and 641 of this title for the consideration of concurrent resolutions on the budget and conference reports thereon shall also apply to the consideration of resolutions, and reconciliation bills and reconciliation resolutions reported under this paragraph and conference reports thereon.

**(2) Limit on debate**

Debate in the Senate on any resolution reported pursuant to subsection (a)(2) of this section, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to 10 hours.

**(3) Limitation on amendments**

Section 641(d)(2) of this title shall apply to reconciliation bills and reconciliation resolutions reported under this subsection.

**(4) Bills and resolutions received from the House**

Any bill or resolution received in the Senate from the House, which is a companion to a reconciliation bill or reconciliation resolution of the Senate for the purposes of this subsection, shall be considered in the Senate pursuant to the provisions of this subsection.

**(5) “Resolution” defined**

For purposes of this subsection, the term “resolution” means a simple, joint, or concurrent resolution.

(Pub. L. 99-177, title II, §258C, as added Pub. L. 101-508, title XIII, §13101(g), Nov. 5, 1990, 104 Stat. 1388-600.)

**§ 908. Repealed. Pub. L. 105-33, title X, § 10210, Aug. 5, 1997, 111 Stat. 711**

Section, Pub. L. 99-177, title II, §258, as added Pub. L. 100-119, title I, §105(a), Sept. 29, 1987, 101 Stat. 778, related to modification of Presidential order.

**§ 909. Repealed. Pub. L. 101-508, title XIII, § 13212, Nov. 5, 1990, 104 Stat. 1388-621**

Section, Pub. L. 100-119, title II, §202, Sept. 29, 1987, 101 Stat. 784, prohibited counting as savings transfer of Government actions from one year to another.

**SUBCHAPTER II—OPERATION AND REVIEW**

**§ 921. Transferred**

**CODIFICATION**

Section, Pub. L. 99-177, title II, §273, Dec. 12, 1985, 99 Stat. 1098, which related to revenue estimates, was redesignated as section 201(g) of Pub. L. 93-344 by section 13202(b) of Pub. L. 101-508 and is classified to section 601(f) of this title.

**§ 922. Judicial review**

**(a) Expedited review**

(1) Any Member of Congress may bring an action, in the United States District Court for the District of Columbia, for declaratory judgment and injunctive relief on the ground that any order that might be issued pursuant to section 904 of this title violates the Constitution.

(2) Any Member of Congress, or any other person adversely affected by any action taken under this title,<sup>1</sup> may bring an action, in the United States District Court for the District of Columbia, for declaratory judgment and injunctive relief concerning the constitutionality of this title.<sup>1</sup>

(3) Any Member of Congress may bring an action, in the United States District Court for the District of Columbia, for declaratory and injunctive relief on the ground that the terms of an order issued under section 904 of this title do not comply with the requirements of this title.<sup>1</sup>

(4) A copy of any complaint in an action brought under paragraph (1), (2), or (3) shall be promptly delivered to the Secretary of the Senate and the Clerk of the House of Representatives, and each House of Congress shall have the right to intervene in such action.

(5) Any action brought under paragraph (1), (2), or (3) shall be heard and determined by a three-judge court in accordance with section 2284 of title 28.

Nothing in this section or in any other law shall infringe upon the right of the House of Representatives to intervene in an action brought under paragraph (1), (2), or (3) without the necessity of adopting a resolution to authorize such intervention.

**(b) Appeal to Supreme Court**

Notwithstanding any other provision of law, any order of the United States District Court for

the District of Columbia which is issued pursuant to an action brought under paragraph (1), (2), or (3) of subsection (a) of this section shall be reviewable by appeal directly to the Supreme Court of the United States. Any such appeal shall be taken by a notice of appeal filed within 10 days after such order is entered; and the jurisdictional statement shall be filed within 30 days after such order is entered. No stay of an order issued pursuant to an action brought under paragraph (1), (2), or (3) of subsection (a) of this section shall be issued by a single Justice of the Supreme Court.

**(c) Expedited consideration**

It shall be the duty of the District Court for the District of Columbia and the Supreme Court of the United States to advance on the docket and to expedite to the greatest possible extent the disposition of any matter brought under subsection (a) of this section.

**(d) Noncompliance with sequestration procedures**

(1) If it is finally determined by a court of competent jurisdiction that an order issued by the President under section 904 of this title for any fiscal year—

(A) does not reduce automatic spending increases under any program specified in section 906(a)<sup>1</sup> of this title if such increases are required to be reduced by subchapter I of this chapter (or reduces such increases by a greater extent than is so required), or

(B) does not sequester the amount of budgetary resources which is required to be sequestered by subchapter I of this chapter (or sequesters more than that amount) with respect to any program, project, activity, or account,

the President shall, within 20 days after such determination is made, revise the order in accordance with such determination.

(2) If the order issued by the President under section 904 of this title for any fiscal year—

(A) does not reduce any automatic spending increase to the extent that such increase is required to be reduced by subchapter I of this chapter,

(B) does not sequester any amount of new budget authority, new loan guarantee commitments, new direct loan obligations, or spending authority which is required to be sequestered by subchapter I of this chapter, or

(C) does not reduce any obligation limitation by the amount by which such limitation is required to be reduced under subchapter I of this chapter,

on the claim or defense that the constitutional powers of the President prevent such sequestration or reduction or permit the avoidance of such sequestration or reduction, and such claim or defense is finally determined by the Supreme Court of the United States to be valid, then the entire order issued pursuant to section 904 of this title for such fiscal year shall be null and void.

**(e) Timing of relief**

No order of any court granting declaratory or injunctive relief from the order of the President issued under section 904 of this title, including

<sup>1</sup> See References in Text note below.